

May, 1926

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Labor Age

The National Monthly

Labor Banking--Promise or Menace?

Albert F. Coyle vs. J. F. Anderson

Can Labor Save Britain?

By Herbert Tracey of British Movement

Hammering at Bayonne

Beating The Loan Sharks

Christ in Passaic

Drama at Brookwood

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The National Monthly

25 Cents per Copy

Co-operatively Owned and Published by a Group of International, State and Local Unions

Published by Labor Publication Society, Inc.

3 West 16th Street, New York City

Presenting all the facts about American labor—Believing that the goal of the American labor movement lies in industry for service, with workers' control.

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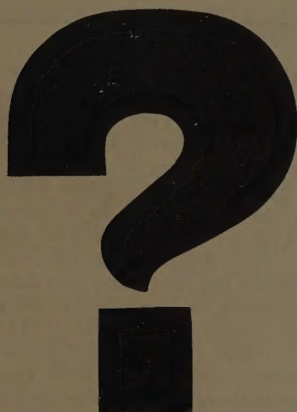
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Labor Age

The National Monthly

Labor Banking---Promise or Menace?

By HARRY W. LAIDLER



IS labor banking a promise or a menace to the labor movement? Equally loyal friends of labor differ widely on the answer to this question.

"I don't approve of this labor banking movement," I heard one prominent conservative trade union president say recently. "The prime function of a trade union is to gain better hours, wages and improved working conditions for labor. To do this, it must be able to clear its decks for action and strike at a moment's notice. It must be free from entangling alliances. When a union goes into the banking field, there is danger that its officers, in deciding for or against a strike, might be influenced too much by a consideration of the effect of the strike on the interests of the bank."

"I am further opposed to the unions going into the banking business because I am opposed to 'trade union paternalism'. I think that a union should concentrate on the one job of improving labor's economic conditions, and should not try to act as a big brother in other fields of effort. That is why I am not enthusiastic

about labor banking, labor insurance, workers education, cooperative enterprises, labor politics, etc. Of course, I am an officer of a labor bank myself, but a bank owned by many, not by one union, and its effect on any one union for good or evil cannot be very great."

"I'm against labor banking," flashed another trade unionist at me, this time a member of the extreme left wing, "because labor banking leads to class collaboration. It gives labor the capitalist psychology. It interferes with his militancy. It obscures the class struggle. You need but to read the praises to this movement sung by such financial leaders as Dwight Morrow of J. P. Morgan Company and Charles E. Mitchell of the National City Bank, on the ground that it will make for the stability and conservatism on the part of labor to realize the danger of this movement. Investments by labor banks in big financial enterprises; the meeting of trade union banker, and Wall Street banker, around the table as fellow members of the banking fraternity, are bound to change the psychology of the workers' leaders."

"I am enthusiastic about labor banking," said a syndicalist friend of mine. "The society of the future is going to be grouped around the trade and industrial union. The more functions labor controls, the nearer to the syndicalist society."

"It is not true," answered another progressive trade unionist, "that labor banking of the right sort leads to conservatism. If labor is ever to manage industry it must make a beginning. If labor unions remain merely negative, fighting organizations, and their members learn nothing about the actual management of industry, they will be absolutely incapable of running industry should they suddenly, by means of a revolution, gain control of industry. If, on the other hand, they, here and now, assume ever increasing responsibility in the management of industry, they will be able to accomplish the transition to a workers republic peacefully and without a violent reaction."

"Five years ago, the control of credit was almost wholly in the hands of the financiers. Labor felt that banking was such an intricate business that the workers

able terms than from the ordinary banks and for the union itself to invest their funds more advantageously. They gave financial advantages to the union and its members as stockholders and depositors. They enable the unions to support certain sound cooperative enterprises. And they create an additional bond of loyalty between the union and the membership."

"What do you think of labor banking?" I asked a philosophic student and trade union member.

"It all depends," he said taking a long puff of his union label cigar, "on the kind of labor banking you refer to and the spirit with which the banking venture is undertaken. I see a grave danger in the policy pursued by some of buying into old capitalist banks, and continuing to run those banks in the same way as formerly. The menace there, I think, is greater than the promise. And then there are labor banks owned by some hundreds of unions, none of which have a controlling interest. These can neither harm nor can they assist any one union to any extent."

"I believe that banks owned by one union have certain

PRO AND CON

FOR the last few years the organized workers have been working out new lines of thought and policy. Hit by the Open Shop drive on the one hand, and by the post-war depression on the other, the Labor Movement turned to the business of trying to strengthen its control over its own resources. One of the most signal of these ventures was the Labor Banking Movement. It has grown with the years—rapidly in comparison with the growth of banking in general.

No one is more familiar with that effort than the brilliant Editor of the *Brotherhood of Locomotive Engineers' Journal*, Albert Coyle. The Union with which he is associated has been the leader in the new field of financial control. His arguments for a wider extension of this movement will be read with great interest by trade unionists everywhere. Jack Anderson has come to other conclusions. One of the ablest organizers in the labor ranks, he has reached the conclusion that labor banking harms the union fight.

This debate will assist greatly, we believe, to clear the air. We are calling the discussion to the attention of a number of distinguished labor leaders and students of labor problems, to get their opinions, in the light of the facts brought out here. These opinions shall be run later, as a symposium. In addition, each of the debaters shall have a chance at rebuttal—which shall appear in our July issue. Out of the exchange of views should come some crystallization of opinion on what should be done about this remarkable development in the future.

could not possibly assume control. The labor banking movement emerged. Labor is now beginning to mobilize its own credit. It is making good. It is getting an insight into the financial and business world which is helping it in its day today trade union policies.

"Labor banking gives the labor movement additional prestige. Psychologically it places the union in a stronger position in its negotiations with the employer. The successful conduct of labor banks whets the worker's appetite for the management of other businesses.

"The trade union leader in any case must invest the funds of the union. He must come into contact, through these investments and through trade union negotiations with the capitalist and financial world. He is often asked to serve on boards of private banking institutions because of the funds possessed by the trade unions to which he belongs. If contact with financiers is contaminating, he is already contaminated.

"Labor banking, furthermore, makes it possible for the member of the union to obtain loans on more reason-

dangers to contend against. The union should see to it that the trade union funds invested in its bank are kept in a liquid form, readily obtainable in time of a crisis. It must seek to secure the major part of its depositors from outside of the industry. It must be wary about lending money to employers of its trade union members. It must not permit its main trade union strategists to divert too much of their attention from the trade union field. It must be ever on the outlook to help in a legitimate fashion sound cooperative enterprises. It must employ experts, but the union must dominate the general policies of the bank. If it observes these and other rules, it may be a big asset to the union and a worthwhile social experiment in a more democratic form of industrial organization."

Which view will history prove to be correct? Labor banking has been among us but a brief half-dozen years. No one can afford to dogmatize about it as yet too definitely. Its development will be watched with keen interest by all elements in our American society.

One of Labor's Greatest Hopes

A Key to Industrial Democracy

By ALBERT F. COYLE

LABOR cooperative banks are not a new fad. 65,000 of them are in successful existence in every civilized land on the globe, with 80 years of remarkable achievement to their credit. For cooperative banks are not "just the same" as other banks. They go to the very heart of the defects of the present banking system by taking the control of money and credit out of the hands of selfish exploiters and using it for the service of the community. They replace autocratic money power with democratically controlled finance. They enable the workers to use their funds for socially constructive purposes instead of turning them over to anti-union bankers to use in financing open-shop employers in their efforts to crush organized labor. In brief, cooperative banking makes manhood rather than money, social welfare rather than profit-making, the chief aim of the banking business.

A New Declaration of Independence

Cooperative banking has transformed the lives of hundreds of thousands of workers and farmers throughout Europe and Asia. It has solved the credit problem for the peasant, freed the city worker from the loan shark, enabled poor men of all classes to own their own homes and to finance a host of other cooperative enterprises in order to reduce their living costs and hence enjoy a better standard of living.

Cooperative banking, if rightly directed, is able to bring to the average American worker greater freedom and happiness economically than the Declaration of Independence conferred politically. Perhaps you think this too strong a statement. Then you do not fully appreciate the vital importance of credit in our industrial civilization. For credit is the real monarch of the modern world. It controls railroads, industries, mines. It determines what men shall work and what men shall starve, what industries shall prosper and what industries shall fail, and even what nations shall be free and what nations enslaved. Credit is power, and no other power in our age wields such a tremendous influence over human welfare. It is idle prattle for progressive labor leaders to talk about industrial democracy unless and until they first control the credit power without which even diluted democracy is impossible.

A Vital Question for Labor

Shall this tremendous power of credit control be manipulated by a small group of men to exploit both manipulated by a small group of men to exploit the people, or shall it be used by the workers for the vital question for the trade union leader to decide is whether the workers should allow banking power to be employed to destroy organized labor, or whether the workers should not themselves employ it to protect

their union and to produce a greater abundance of life for themselves and their children. Can any other question be more vital to labor than this?

Labor's Amazing Money Resources

Do you think it a wild dream for labor to control the bulk of the nation's finance? On the contrary, it can be accomplished inside of one generation if the workers will awaken to the amazing possibilities of mobilizing their present money resources under their own control. Each year the workers of America receive over \$20,000,000,000 in wages. The farmers—and they too are workers—receive another \$17,000,000,000 for their crops. These primary producers put in the 902 savings banks of the United States last year the staggering sum of \$7,977,617,000. In addition, they spent about another \$2,000,000,000 for such more or less useless luxuries as chewing gum, face paints and powders for their wives, cigars for themselves, booze and its substitutes, shows, admissions to horse race and prize fights, and a host of other unnecessary and expensive "bourgeois" indulgences, with more than another \$1,000,000,000 of their earnings squandered on fake stocks and similar swindles. Even making allowances for a reasonable expenditure for luxuries and enjoyment, the workers and farmers of this country could put each year into their own cooperative banks savings of at least \$6,000,000,000. This would mean no hardships on their part; on the contrary, they would profit in health, mind, morals and money by such thrift.

Why Labor Must Have Its Own Banks

Some good trade unionist may ask, But why can not labor secure the same benefits by entrusting its money to friendly bankers? One might as well ask why labor should organize trade unions, since many employers are friendly to labor. Granting that some bankers are not opposed to organized labor, especially in the smaller communities where the banker and the worker often live side by side, the blunt truth is that the great majority of bankers are hostile to labor unionism because their large loans are made to employers, not to workers, and they almost always have their personal money invested in big industries where fat profits depend on keeping wages down. And even the friendly small banker may easily be compelled by the big banker to adopt an anti-labor policy under penalty of refusing him accommodation in time of need or cutting him off the list of favored participants in profitable underwritings.

Because the control of credit means prosperity and power and self-respect for the workers, they cannot afford to entrust it to the hands of outside bankers beyond their own control. It is true that workers are not

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bankers, but they can hire able bankers just as they now hire able lawyers, editors, insurance statisticians, experts, and other specialists to aid them. These men render loyal service to labor because their personal and economic interests are tied up with labor's success, and their job is to carry out the policies laid down by the workers themselves. The private banker can tell labor what to do because he controls labor's employer by his power to bring about the employer's financial ruin merely by refusing him credit. The labor banker, on the contrary, does what labor wants him to do because his job depends on it.

Five years ago the first cooperative labor bank in America opened its doors in Cleveland because, as its president, Warren S. Stone, declared, "We are tired of having our own money deposited in trust with the bankers, used to cut our own throats." The need for labor banks in this country is proved by the rapid increase of labor banks to thirty-three, while their resources have climbed from \$653,000 to \$150,000,000 with seven related labor investment companies having \$40,000,000 more in resources.

The trade unionist who doubts the need for labor banks simply is ignorant of the tremendous power for social and economic progress which financial control gives to organized labor. He does not realize that the private banker with whom he deposits his savings chiefly uses them to aid the speculators, the middlemen, and big business interests rather than to promote the welfare of the workers and farmers—the producing classes—who are most entitled to credit. While thousands of workers cannot borrow enough money to build a home or secure a temporary emergency loan, the stock speculators borrow billions of dollars at 3 to 4 per cent to gamble on margins or futures or to underwrite promotion schemes.

If you want to know the need for labor cooperative banks, ask yourself what private banker will lend money to you and your fellow-workers in case of unemployment, sickness or death, or to enable you to set up house-keeping, start in business, educate yourself, or otherwise serve society? The truth is that private banks have little interest in you except to get your deposits when times are good.

Cooperative labor banks, on the other hand, collect the workers' money, use it for productive rather than exploitative purposes, to aid organize labor rather than to crush it, and give their earnings back to the workers in the shape of cooperative dividends to depositors and favorable interest rates to borrowers.

The Safety of Labor Banking

Cooperative banks are the safest banks in existence. While thousands of workers and farmers have lost their lifetime savings by the failure of private banks, not one cooperative bank has ever failed in this country, while in 70 years' experience the 35,000 people's banks of central Europe actually had no losses whatever up to the world war, and an insignificant amount of loss since then, just as the Italian cooperative banks have lost only one lira in a million.

Cooperative banks are safer than private profit-seeking banks because they do not take great risks in order

to make tremendous profits. After a limited interest is paid to the shareholders and something put in a safety reserve, the balance of the earnings are distributed to the customers of the bank in a cooperative dividend. Hence the directors of the cooperative bank have no temptation to underwrite speculative ventures with the bank's funds. Often private banks are ruined because of bad loans to directors or to a few favored corporations, while the cooperative banks loan no money to directors and distribute their loans among thousands of small borrowers so that even an occasional loss would not injure the bank. In brief, experience proves that cooperative banks are the safest banks in which the workers can put their savings, because they are operated for the greatest service to the largest number instead of for maximum profits for a few.

When a private bank is wrecked because of speculative investments for large profits, who suffer most? Why, the workers and producers, whose deposits make up the largest part of the bank's resources. According to a recent report of the U. S. Comptroller of the Currency, the depositors contribute \$12 to the banking resources of his country to each \$1 of capital invested by the bankers themselves.

The Secret of Cooperative Progress

American workers are sometimes reproached because they have not organized strong consumers' cooperative societies to combat the profiteers, as have the workers of every other civilized land. But such critics overlook the fact that two-thirds of the cooperative societies of Europe have been founded and financed by the people's cooperative banks. Outside of England and Belgium where consumers' cooperatives arose first, the remarkable growth of cooperation is due largely to the workers' and farmers' cooperative banks, which have financed a hundred other forms of cooperation. Besides invaluable financial support, the 65,000 cooperative banks throughout Europe and Asia furnish trained business managers to make these other cooperatives an assured success, in some cases even keeping their books and buying and selling goods for them. The success of the British cooperative movement is likewise due to cooperative banking, for the British societies would never have gone far beyond little one-room stores if they had not become virtually savings banks for their members, accumulating the capital essential for their expansion by receiving small weekly deposits, which soon accumulated into such large sums that the great Cooperative Wholesale Society Bank was formed to act as national treasurer for these cooperative savings. To-day this bank is the fifth largest in the British Empire, with a turnover of two and a half billion dollars a year.

The spread of the cooperative movement in America depends on two vital factors: adequate financial support and competent business management. And these in turn can be supplied by labor's cooperative banks, just as the workers of Europe have first mobilized their money power in their own banks and then used these banks as breeders of other cooperative enterprises.

Organized labor in America is alone to undertake the founding of cooperative banks. No other organized groups have the money, the business experience, or the

tremendous interests at stake. If the farmers were better organized, they too could establish successful cooperative banks. But neither the unorganized farmers nor the few scattered consumers' cooperatives in this country are able to do the job. Only the great international unions or powerful groups of local unions have the necessary resources in able leadership and ample money. The future development of cooperative banking in America depends on them.

Filmsy Objections

Perhaps some timid soul will say that labor unions have no business going into the banking business. I maintain that a union has the right and duty to do anything that will increase the welfare and happiness of its members, whether it be starting a night school or founding an insurance company or bank. But there is even a stronger consideration: every big union in the nation, with millions of dollars in its various funds, is in the banking business whether it wants to be or not. The sole question is whether the union is going to handle its money through its own or a related labor bank, or whether it will turn its funds over to private bankers to be used by them against labor's best interests.

Or it may be said that cooperative banking will detract the labor leaders' interest and effort from his duties as director of the industrial program of his organization. The same objection might be urged against the pension and insurance features which almost every progressive union is adopting. After all, one must depend upon the good sense of the individual labor executive to devote the proper amount of time to his several duties, just as the president of a railroad company oversees the various separate departments under his charge. As a matter of fact, the president of the union usually turns the responsibility for immediate oversight of the union's cooperative bank to the secretary-treasurer of the union, whose time is supposed to be wholly devoted to conserving the funds of the organization. Indeed, the financial information and experience that labor executives gain from cooperative banking makes them more efficient officers for all the other activities of their union.

The whole test of whether or not the president of a union should devote a part of his time to cooperative banking activities is whether or not such activities will bring a proportionate benefit to his members. Quite possibly cooperative banking and insurance (for the two are closely related) will prove the strongest possible ties in binding workers to their unions and increasing labor's bargaining power in securing good wages and working conditions from large employers. Indeed, such has already been the experience of at least three big international unions with powerful cooperative banks behind them.

Perhaps some good radical unionist may fear that cooperative banking, with its consequent financial commitments, will make labor unions too conservative. Yet the most progressive unions in America are the very ones that have founded labor cooperative banks. The mere possession of money does not make a union less

liable to strike. On the contrary, a union that is "busted" does not dare to strike, while one with ample financial resources usually gets its demands without having to strike. Similarly with the individual union member: if he has a financial stake in his union's bank, he is going to fight for that union through thick and thin, whereas the worker whose union has nothing worth fighting for is apt to quit the battle line. It is the old story of the man who owns his own home springing readily to its defense, while no man ever yet fought for his boarding house.

I do not contend that labor banks in America are faultless, or that labor officials have always shown wisdom in the policies adopted. They have not. But these facts do not affect the soundness of the basic principles of labor banking; they merely prove the old rule that the most beneficent institutions can be perverted by unwise men. Even though it be true that a certain labor bank which started as a cooperative has become an ordinary profit-seeking company, the fault must be wholly laid upon the members of the unions concerned who sanctioned such a procedure. Labor cooperative banks are democratic institutions. It is up to the workers who own these banks to determine whether they shall be tremendously powerful instruments for labor's progress, or just well-meaning affairs, with an orthodox banking program. Yet even in the latter case, the workers will inevitably gain by keeping their money under their own control.

The Key to Industrial Democracy

Labor cooperative banks in America have just begun to grow. In five brief years they have become the most significant factor in the whole labor movement. They have brought new power and dignity to American labor unions, and have promoted the prosperity of the individual worker.

What of the future? We have already seen that the producers can actually control the banking power of the United States within one generation if they will but put their money in their own cooperative banks. But the case is more urgent still: unless the labor unions consolidate their economic power by mobilizing their members' resources through cooperative banking, the huge industrial combinations that are now being effected with the aid of the big bankers are bound to crush the unions out of existence. Labor must choose between controlling credit to enhance its own power or being controlled by credit power in the unscrupulous hands of labor's enemies.

Cooperative banking, in brief, is the key to economic power for the producing classes. It alone can destroy the monopoly control of credit for the profit of a few by mobilizing labor's vast financial resources under democratic control for the service of the many. *Just as political democracy is impossible without industrial democracy, so industrial democracy can never exist until financial democracy is achieved by cooperative banking.* For the class that controls credit controls industry, politics, the nation. Only by aggressive cooperative banking can labor achieve that goal.

A Menace to the Movement

Banking Has Hurt—Not Helped

By J. F. ANDERSON

AGAINST

Former Vice-President Jack Anderson of the Machinists has become a pronounced opponent of Labor Banking, as a result of his experiences and observations. He gives the case here, as he sees it. No one who reads it can doubt that it is thought-provoking—and the discussion between Brother Coyle and himself should be productive of great good, in looking the question in the face.

IS Labor Banking a Promise or Menace to the American Labor Movement? I contend it is a grave menace, fraught with harm.

Before going into the reasons for this opinion, it is wise to state definitely just what we are discussing. This is not a debate on the *stability* of Labor Banking. We will all agree that this form of finance control has been as efficiently conducted, looking over the country at large, as is a like effort in capitalist hands. And it has been more honest, I believe, in that it has not been used to destroy the strength of employers friendly to labor as the general run of banks have done. Granting all these things, I think that it is of no good, but a source of injury to the organized workers of this country.

Neither is this a debate in which personalities are involved. Albert Coyle and I are friends, and for him I have the highest respect and admiration. Those examples which I give of organizations and their banks, in order to illustrate my contentions, are not based on personal animus; but are used merely because they show clearly what I am driving at.

Further, credit unions are not within the scope of this discussion, but only banks run by labor organizations along the lines of capitalistic banking institutions. Credit unions are entirely different in character. They handle small sums, comparatively. They deal directly with their members, and with their members only. They are fitted out modestly, and engage in no large outside banking ventures.

With these points understood, we can go into the consideration of why Labor Banking will in the long run injure the Movement. My own judgment on this subject has not come overnight. A mild believer at first that this form of banking might do some good for us, observation and experience have shown me that the opposite is the case.

When labor leaders begin to engage in banking, they gradually lose the old workers' psychology. They acquire an entirely different outlook. They begin to think in terms of stocks and bonds, and not in terms of organization. After all, labor unions must be militant.

No matter how we look at the so-called question of "master and servant," as the law books give it, we cannot dodge the fact that unions win in accordance with their strength and willingness to do battle with the employers. This is true whether you look at the business as a matter of bargaining, or whether you regard the whole thing as an endless war until the employers as a whole are overcome and a new system established. When labor leaders and employers sit opposite each other at a bargaining table, they are representing conflicting interests. One wants to get as much as possible for his labor power; the other wants to give as little as possible.

Faith Undermined

Now, when labor banking comes in, foreign responsibilities which have nothing to do with the union direct, are thrust on the organization. They tend to become conservative, as a result. And a union which is too conservative, for the reasons given above, has ceased to be a union. It has lost force, even to bargain successfully. Unions which take up banking may become prosperous in banking, but they are very likely to become bankrupt in unionism.

The strength of an organization depends largely on the faith the members have in the leaders. Faith it is that builds an enthusiastic union. Among the workers there always is a percentage of men who are suspicious of everything, particularly of the officers. They are ever ready to cast doubt and distrust into the ears of their fellows about the motives and purposes of these officers. The coming of Labor Banking adds to the outward show of things that give these suspicions an appearance of some truth.

Officers, who only a short time before spoke with pride of their close connections with the rank and file and frequently condemned the grasping avarice of the private bankers, now appear at meetings to tell of the profits that can be gained through the banks. Then, some of those union officials who become banking officers suddenly experience a great change in demeanor. Their language and mode of living are no longer the same. They talk of all sorts of brokerage and business ventures, which is Greek to the rank and file. They formerly read their union journals; now they read the WALL STREET JOURNAL. They attend union meetings and hear the troubles of the workers less frequently. The workers notice these changes. When they go to their meetings, they hear officers talk about stocks, bonds, dividends, etc., instead of the remedying of the workers' immediate conditions. That change does not add to the efficiency of unions; it injures them.

The Du Pont Case, Etc.

This situation leads to other, and more serious complications. It may weaken the workers' political power at a strategic moment, just as it weakens their industrial power. In 1924, we saw a striking example of this in the State of Delaware. The transportation unions were about to endorse the opponent of T. Coleman Du Pont for United States Senator. Now, most of my readers know T. Coleman Du Pont. He is of the concern which has built itself up out of harsh exploitation of the workers. If he has any liberal sentiments in his head, I have never heard of them. His opponent, on the other hand, was more favorable to Labor and Labor's demands. Because of that fact, the unions had decided to endorse him. Such endorsement was already prepared, after careful consideration of the matter. When, along came the Locomotive Engineers and stated that Mr. Du Pont should be endorsed, because he was jointly interested in the Empire Trust Company in New York with their Brotherhood. And Mr. Du Pont, accordingly, was endorsed—to my mind, an act directly harmful to Labor. Can you say that in this instance, Labor Banking was good or bad, so far as the struggle of the workers is concerned? It requires little consideration to come to a conclusion on that point.

Then, again, in the same year, 1924, Labor had ranged itself on the side of LaFollette and Wheeler. If there was ever a ticket backed 100 per cent by Labor, that national ticket was. The headquarters for that campaign, in fact, was the Machinists Building in Washington—on the 7th floor. But while that was the case, down on the first floor, the Mt. Vernon Bank, owned largely by the Machinists Union, was distributing a leaflet of the National City Bank of New York, attacking the candidates of Organized Labor—and doing it in the name of the Mt. Vernon Bank. On the 7th floor, "we" were helping LaFollette and Wheeler and collecting funds for their campaign. On the first floor, in the banking institution of Labor, "we" were attacking "our" own candidates! Was this of value to the Movement, or of harm to it?

This banking psychology which Labor Banking develops gives an easy entrance for all sorts of fly-by-night "financial" ventures, which the workers frequently "fall for," because they cannot discriminate between sound and unsound undertakings. The outcome certainly does not aid the solidarity or effectiveness of the Movement. Taking advantage of this banking mania, a certain Jeffries began to collect money among the railroad men in Philadelphia and vicinity, for a "labor bank." He got \$18,000 for that purpose. On the side, he also started an income insurance plan. It was to cover sickness, unemployment and other dents in the workers' income. He collected \$27,000 for that purpose, and disbursed \$25,000 to the insiders with him in the "concern." About \$29,000 in loans from unions was got away with, with equal ease. Of course, this was nothing but a fake and fraud. It was not labor banking, such as we are discussing. But the banking idea, talked about among the rank and file gave this "gentleman" this opportunity to fleece the workers in the Quaker City.

One organization—the Brotherhood of Railway Clerks—was split wide open as the result of a side financial venture, put forth in the name of the Brotherhood by certain officers. The venture went to the wall, and the organization certainly was not benefited by the disputes which followed. Again, this was not strictly labor banking, but it was a by-product of the banking fever.

Let me ask: Where can one instance of any consequence be given where Labor Banking helped the Organized Labor Movement? If there is such an instance, I would like to hear it cited. Against it, I am sure there can be given a hundred examples where this same banking injured the Movement.

How can it help the Movement, anyway? The only way it could help would be in granting favors which private banking institutions cannot give. And no labor man would want it to do that—for such practices would imperil its existence. It is to the credit of the overwhelming majority of labor banks, that they do not grant any such special privileges. The one bank that did this has now ceased to exist—the Producers and Consumers Bank of Philadelphia, backed by the labor unions of that city. The bank granted loans, for example, as high as \$3,000 on the unsupported endorsement of a labor man not responsible for \$300. That was a special favor, without doubt, but it was one of the things which caused the bank to crash.

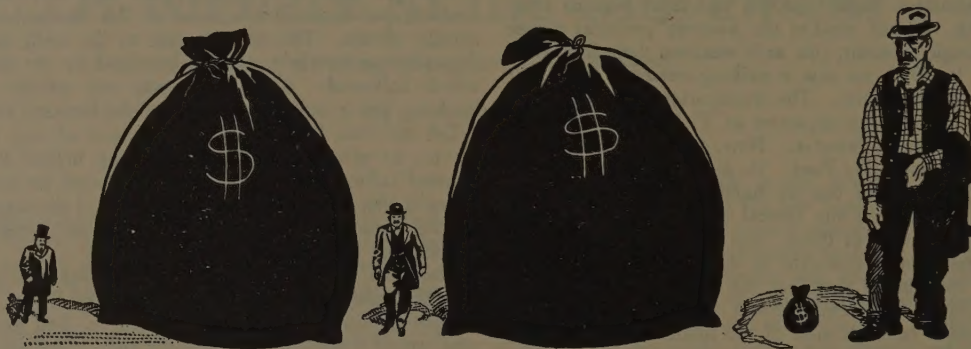
Now, it is being rescued—by whom? By Thomas E. Mitten, the great labor hater, chief of the "company union" clan. One prosperous union, with \$225,000 tied up in the bank, must submit to the Mitten leadership and rule in the bank, in order to save its money. Individual union men will have to do the same. Does that add to the effectiveness of trade unionism or does it make for defeatism in the union ranks? Why ask the question? The answer is self-evident.

Nor can it be said that Labor Banking helps unions to cooperate in the aid of each other. It has just the opposite effect. The reluctance of the Railroad Brotherhoods to help the striking shopmen on the Pennsylvania is known all over the nation. The fact is, they did not help very much; they remained silent while Atterbury attacked the mechanics on the road. While ownership by the Brotherhoods of Pennsylvania stock, through their banks, may not have been the direct cause of this attitude, it certainly did not encourage them to come to the assistance of the other workmen on the Pennsylvania. And they remained quiet all through that long fight, doing nothing to make the shopmen feel that they were members of the same Labor Movement.

Bank Workers Unorganized

One further evidence of the "financial complex" that comes to union leaders out of labor banking is the fact—almost unbelievable—that practically every labor bank in the country is unorganized. Its employees, in other words, are non-union. Bank clerks everywhere are an exploited, beaten group. They are also too dumb, or lost in "white collar" philosophy, to unite to redress their wrongs. In labor banks, there is no difference. The men are underpaid, and they are unor-

THAT MELLON TAX CUT!



As a result of the new tax law 42 men in the United States will save \$20,000,000.

A gift of \$60,000,000 will be presented to 214 men in this country.

And 2,300,000 taxpayers will each effect a saving of \$10—for a while! It's understood, of course, that the inevitable tax deficit must be met indirectly by these same 2,300,000 taxpayers, together with the many others throughout the country whose incomes are much smaller.

From Locomotive Engineers Journal

ganized. There is no union label on the union banks. Are they enemies of the union label and of unionism? I am certain that, in effect, they are.

Now, no organization can be fully effective unless its leadership is close to the rank and file. The members do not want their leaders to go around in flannel shirts or travel in box cars. But they do expect a handshake occasionally that has some understanding to it—at least, a mental handshake, in thinking with this membership. And it is a fact that workingmen will not feel free to be chummy with bankers, nor will they feel satisfied that bankers are representing their cause with complete sympathy for their problems.

In support of Labor Banking, two directly contradictory arguments have been used. It has been said that it will help the unions, on the one hand, because it will free Labor from private banking control, at times of need, etc., and will allow Labor to exert an ever-wider financial control. On the other, it is said that it will give the leaders of unions better contact with big financial men and forces, bring about better understanding, and lead to better arrangements on wages and conditions being made, without resort to strikes. Of course, both of these things could not be correct. But, as a matter of fact neither of them are.

The Brotherhood of Locomotive Engineers have not diverted strikes by banking. Their strikes have increased, rather than diminished. Since they have become bankers, they have had trouble on the Missouri and North Arkansas; the Atlantic, Birmingham and Atlantic; the Virginian, and the Western Maryland. So that the approach to big financial powers has not helped them much. Nor will it do so. Big bankers do not run labor questions by sentiment, but by hard business

reasoning. Whenever they find Labor weak, they will try to destroy it. When strong, they will respect it.

Now, on the other point—that of getting financial control—that was nothing but a mirage. The big bankers will always beat us at that game under the present system. They have the running start. They have control of the Federal Reserve System. They will push us to the wall, if it serves their purpose to do so. Besides, as I have indicated before, our banks cannot help out the Movement with special favors, for they do this at their peril. They have to be even more scrupulous than the private banks. The biggest loan made to any union in time of strike was made by the Harriman National Bank to the United Mine Workers, through the good services of the International Ladies Garment Workers Union. I doubt seriously that any Labor Bank would dare make such a loan, without being open to criticism.

It was not without good reason that the American Federation of Labor refused to endorse the Labor Banking idea. That was a wise decision. By putting our financial eggs in one basket, we cease to be forceful unions, or are in grave danger of becoming such. The big banking interests know this well. They have spoken in the kindest terms of the Labor Banking development. They have even pointed out some of the things I have alluded to. For confirmation of that, you need only read an article in *INDUSTRIAL MANAGEMENT* for October, 1925. It tells the story, from the facts of non-union workers in the banks to the new psychology of the union leader-banker.

With these things in mind, I submit: Labor Banking, honestly and efficiently organized as it no doubt is, is nevertheless of itself a danger to the Labor Movement, and ought to be contracted rather than extended.

Those Stock-Selling Schemes

Trapping Mr. Worker

By ROBERT W. DUNN

FAKERY

Leaving company unions for awhile, Mr. Dunn is now looking into the "glorious" stock-selling schemes of the employers for us. Here is his first installment—a bird's eye view of the situation. It will be followed by a discussion of the ways to fight this development, showing what Labor has already done about it.

THE employing class in this country has made use of many devices to prevent strikes and keep down discontent among workers. One of the most significant of these schemes which has developed rapidly in recent years, is the sale of the securities of a company to the workers which it employs.

This device forms part of a general movement to secure wider holdings of corporation stocks among the public, chiefly among customers and workers. Big public utility companies have been among the first to push the practice on the ground that "the larger the number of investors the more secure is property", from regulation or control by the government and from the enactment of progressive public ownership legislation.

Employee stockownership has developed out of certain war-created conditions as well as the general prosperity in American industry, which has been shared at least by certain classes of workers. The purchase of war bonds developed among the workers the habit of putting savings into securities. The corporations have continued the practice by stimulating their workers to purchase a limited number of shares in the firm employing them. All sorts of securities have been sold to workers—bonds, preferred and common stocks, as well as special issues of non-voting stocks. Special prices have often been set, and extra bonuses offered, to induce the worker to subscribe. Payments are made in installments, the amounts being deducted regularly out of wages. Employees associations and company-controlled "mutual aid associations" often act as the medium through which the shares are sold. Most of the stock is non-transferable; that is, if the worker wishes to sell it he must sell it back to the company rather than to an outsider. Besides, special provisions are made to induce the worker to keep the stock once it is purchased. Loans to workers are also provided for, the stock held being used as security. Another trick is to double the amount of group insurance or pension to the worker

who participates in the stock purchase plan. Dozens of different inducements have been worked out to make the worker take the stock and hold it.

The extent of workers ownership of stock has not been measured exactly. But labor experts now estimate the number of large companies using this device somewhere between 200 and 300. Seventy-five per cent of these plans have been installed since the war although some of the most important, such as the plan of the United States Steel Corporation, date back nearly 25 years.

Going Up!

The rate of increase of worker stock ownership has been studied. One expert estimates that during the past 7 years the increases have been as follows: on some 25 railroads over 70,000 workers have been added to the stockholders list; on street railways 15,000; in gas, electric light and power companies 75,000; in the telephone and telegraph service, 63,000; in meat packing establishments, 7,000; in 10 oil companies, 21,000; in 5 iron and steel plants, 87,000, making a total increase in worker shareholders during the period of nearly 350,000. These figures are regarded as very conservative for they include only workers that have paid up in full for their shares. Hence it does not include tens of thousands who are still paying for their shares by installments; the periods ranging anywhere from 21 months to 5 years.

Some of the leading corporations, with the approximate number of worker share holders now on their books are the following: United States Steel Corporation, 50,000; American Telephone and Telegraph Co., 50,000 (with as many more now making installment payments); New York Central Railroad, 41,000; Armour & Co., 30,000; Swift & Co., 21,000; General Electric Co., 22,000; Pennsylvania Railroad, 19,000; Goodyear Tire and Rubber So., 17,000; Chicago Elevated Railway Co. 17,000; Standard Oil Co. of New Jersey, 16,000; Standard Oil Co. of Indiana, 15,000; Bethlehem Steel Co., 14,000; Standard Oil Co. of California, 13,000; Philadelphia Rapid Transit Co., 10,000.

The purpose and objectives of these plans have been described by a sympathetic employers association as "the hope of lessening the difference of opinion between employer and employee, and of substituting a

cooperative loyalty and a basis of mutual interest and understanding". Other purposes ascribed to the plans are the encouragement of thrift and savings among workers, and the increase of worker's efficiency, output, loyalty and morale. There is also the sales value of the schemes, which is of course not openly admitted by the companies. In advertising their products, however, many of the companies such as the Standard Oil and the meat packing establishments, lay great emphasis on their worker stock purchase schemes for the purpose of convincing the public of their progressive and humanitarian labor policies. However, practically every company that has used this device has a definitely anti-union attitude as well as a record of strike breaking.

Why They Do It

The concrete and real objectives begin to appear in the more confidential statements of the employers. The Brooklyn-Manhattan Transit Co. in New York, for example, admits that it introduced its plan to "discourage agitation for strikes". The president of a Cleveland company says that since the plan was introduced, "I find myself in a much better position to saturate the worker with the idea of loyalty to the property owners". The Federated Industries of Washington, an antilabor employers association on the west coast says: "It is obvious that as the number of stock owning workers increase, the friction between capital and labor will decrease and in the future there will be fewer disturbances in the industrial field." The editor of RAILWAY AGE, a big employers organ, says: "The most certain way to defeat the entire radical and socialist movement is to formulate and carry out our constructive measures for the establishment of true 'industrial democracy' . . . that is a wider distribution of securities." And F. C. Biggeary, Jr., of the United Engineering and Foundry Co., referring to the movement, writes: "We seem to be headed straight toward employee ownership of industry, not by the Bolshevik method of seizure, but by the orderly conversion of our workers into combined worker-capitalists. What happier outcome of a vexing problem could be desired?" Another employer's spokesman in the JOURNAL OF ACCOUNTANCY frankly tells us that certain companies with difficult labor problems on their hands have encouraged worker stock ownership "with a view to preventing strikes and discouraging the formation of the joining of unions. . . . In other words it is more useful as a means of labor management than as a device for raiding capital."

Realizing the truth in the above statements and recognizing the menace to labor unions in the stock owner-

ship movement, many of the trade union officials have strenuously opposed it. They point out the fact that almost all the companies involved in the movement are definitely antilabor union in their policies and practices. They point out that such investments put all the eggs of the worker into one basket and that many of the stocks, particularly the common stocks, are highly speculative. In a few instances firms that have sold stock to workers have experienced a drop in the value of the stock with consequent serious losses to the workers. In one instance, a company which had sold a large block of stock to its workers went bankrupt and the worker stockholders recovered nothing.

Tying the Workers to One Job

The chief contention of trade unionists is that these devices tie the worker to one plant and one job. "By getting them concerned for dividends they hope to make their interest in wages less aggressive. They hope employees ownership will serve as a deterrent for wage increases and strikes," the spokesmen of labor charge and they quote the numerous admissions of capitalists to prove it. The most responsible union officials are unanimous in this contention that "the stock is sold simply to hold the worker to his job, to make him believe that if he strikes he strikes against his own interest and to keep him from asking for better wages and working conditions"—to quote Daniel J. Tobin, President of the International Brotherhood of Teamsters.

The Labor Bureau of New York points out another significant feature of the stock selling device. "Under most plans the worker is entitled to purchase shares in proportion to the amount of his wages. The result is that the more highly paid mechanics—the men in the key positions—are the ones who have the greatest concern in the profits of the corporation while the low paid have little or none. So another wedge is driven between the skilled and the unskilled, and the formation of subclasses within the working class is fostered."

The undisguised jubilation and satisfaction of the various employers associations at the success of these obviously anti-union schemes is reflected in an editorial entitled "Capitalistic America", appearing in a recent issue of AMERICAN INDUSTRIES, the official organ of the National Association of Manufacturers. "The readiness of employees to take stock in industrial corporations has been surprising. It is one of the most heartening developments of our time." The employers' organs state that only in America can this development be worked out to its ultimate purpose: "the weakening of trade unionism and the complete defeat of the radicals."

Hammering at Bayonne

Why Did "Standard Oil" Coler Order My Arrest?

By LOUIS FRANCIS BUDENZ

THE following clipping from the BAYONNE TIMES of April 13th gives a glimpse of the first trip to Constable Hook. Following that trip, the laborers of the Standard Oil Co. made a demand for a wage increase, threatening a strike if the demand were not met. The entire force of the Vacuum Oil Co. did likewise.

POLICE CHIEF DENIES BAN OF MAGAZINE

Editor Reported Planning to Sell Paper
at Standard Gates

Chief of Police O'Neill this morning denied that he had forbidden the sale here of Labor Age, a radical publication, although it was stated in other quarters that the ban had been ordered and that Louis F. Budenz, formerly an associate of Mayor James B. Furber of Rahway, and now editor of the paper, organ of the League for Industrial Democracy, accompanied by Robert W. Dunn, a contributor to the publication, will defy Bayonne police by selling copies of their publication at the gates of the Standard Oil Company.

Dunn, affiliated with the labor unions in New York, is the author of an article in the Labor Age, "A Company Union in Oil," which, according to Budenz, has been barred from Bayonne by the police.

According to Budenz, his magazine has been barred because it is feared the article may tend to create sentiment for the American Federation of Labor among workers here.

Of course, this news story is inaccurate on a number of points. This magazine is not the organ of the League for Industrial Democracy, but of unions engaged in showing up the camouflage of the "company unions" and in discussing labor problems. But the item furnishes a bit of the background of our going to Bayonne.

So enthusiastic was the reception at the Constable Hook gates of the Standard and so quick the workers' response, that a return engagement was scheduled for Saturday, April 17th. Art Shields, New York representative of the Federated Press, and McAlister Coleman of the ILLINOIS MINER and contributor to various papers, accompanied me. We arrived in time for the first shift's leaving for home at the noon hour.

General Manager William C. Coler happened to roll by at that moment in his car, and demanded that I halt the distribution of the magazine. "If you do not," he said, "I will have you arrested." "Am I on city property?" I asked. "We will show you on whose property you are," he replied, advising me that he was "Mr. Coler." Though I did not know him from Adam, I responded that he could not stop me in this work. Then

he ordered his company policemen to call for the city police. Constable Hook lies some distance out of Bayonne, and by the time the policeman could come—if he ever came—the distribution of 1,000 copies of the magazine was completed.

In order that General Manager Coler and his company would be thoroughly informed of what we were doing, and in order that they would understand that they could not intimidate us by idle threats, I wrote that gentleman the following letter:

April 19, 1926.

Mr. William C. Coler, General Manager,
Constable Hook Works,
Standard Oil Company of New Jersey.
Bayonne, N. J.

Dear Sir:

On Saturday, you ordered my arrest while I was peacefully distributing copies of this magazine at the gates of your works. This was done in the presence of Art Shields, New York representative of the Federated Press, and McAlister Coleman of the "Illinois Miner".

This is to inform you, right from the beginning, that you cannot intimidate me by any idle threats of that sort. As an American of the third generation, thoroughly familiar with my rights, I mean to continue to spread the truth about your fake "company union" among the workers at your works. We are fully aware of the conditions existing in the Standard Oil Company's plant, and in the plants of your fellow oil companies on the Hook, and propose to bring them to the full light of day.

It is not my habit to be ordered about by any boss or general manager, and you will find that you cannot frighten or disturb me or my colleagues by any of your bluff or bluster. The enthusiastic reception which we get at the gates of your works, shows us that there is much need for the sort of thing we are doing.

We are not engaging in organization work. That is the job of the American Federation of Labor, officially. But we are conducting an educational campaign, leading to organization of your force into a real union.

Yours truly,

LOUIS FRANCIS BUDENZ

Later, Mr. Coler evidently decided that discretion was the better part of valor. Our appearance at the gates on subsequent days was not interfered with. But the incident serves to show the fear that exists in the hearts of John D. Jr.'s hired men—the fear that the workers will really discuss their fake "company union", or "Republic of Labor", as it is bombastically called, and decide to abolish it. The discontent at Bayonne cannot be killed that easily. Mr. Coler is to have a much bigger tussle with his men, than that of a mere bluff at an arrest, before the chapter is closed.

“Smile, Damn You, Smile”

What We Need, They Have Been Saying, Is A Good Loud Guffaw.

By BILL BROWN, Boomer

UR of the Chaldees was to fault for the whole doggoned argument. Of course, there was a feminine gender at the bottom of it. This here particular apple of discord was the goddess Bau.

Here was the three of us—Sandy Hook, Al Cohol and your unhumble servant—a setting as nice as you please, Locarno-like. The scene was a 2-by-4 hotel “for gentlemen only” in the City of Cash Register, Ohio.

(We passed the test as “gentlemen”, all right. But when we looked around the joint we kind-of knew that there’s a difference between “gentlemen” and “genteel-men.” Isn’t it funny, every place for a man to put his head that is doubtful-like, says it’s for “gentlemen only”? Just like almost every restaurant that says “tables for ladies” wouldn’t always stand ladies’ inspection. Sort of inferiority complex, I guess.)

Anyway, the room was cold and damp—and we kept warm, or a-trying at it, by reading the NEW YORK TIMES. Whenever we feel a chill coming down our backs, we just dash for that there paper, granted there’s no “mule” around. Long ago, my father sneaked me the info that a paper under your coat or in your shoe will keep you comfortable—if you’re missing an overcoat or a pair of soles. But it’s the contents of the TIMES paper that makes us hot—brings out prickly heat on Sandy in zero weather, often. It’s so darned righteous and certain and conservative, it makes us sweat all over with exaggerated indignation, if you know what I mean.

So we was pretty warm and happy, when Sandy ups and says: “Talk about progress! There ain’t no such thing. Here’s these professors what’s digging for exercise over in Asia has gone and found a goddess what’s got a head like a woman’s but the body of a chicken. And we thinking all the time that the word ‘chicken’ when applied to the female sex of the Genus Homo was a new idea! There’s nothing new under the sun!”

Al Cohol, he demurs from any such conclusion, deduction or insinuation. “The connection between ladies and hens is plain, fer men have been hen-pecked fer a long time, and that was the only way they could take revenge. But they had no flying machines in those days. And a whole lot more things, like plumbing and 99 99-100 pure soap and incubators and girth control and realtors and Florida and Irving Berlin’s songs and Dayton, Tennessee. They’re all the works of progress.”

Well, they went at it hot and heavy—and started to digging out all the skeletons of history from Romulus to Rupert Hughes and from Richard with the lame back to Dawes with the lame brain, and from Caligula the Insane to Mussolini the Non-Compos-Mentis. Down they dug, scattering dust in each other’s eyes, through Tut’s tomb and the graves of the Amerinds (that’s the fancy name for our Indians), the Aztecs and the Assyrians—through the Historic, Pre-Historic, Neolithic, Palaeolithic, and a lot more “ics” and “ines”. Till I called a halt, not being much on digging myself.

Says I: “Look here. If you don’t stop, you’ll be clean through into China. Then you’ll be in a fine mess. That there peaceable nation for so many thousands of years is fighting itself better than Jack Dempsey fights against fighting anybody. Between the Fengs and the Changs and the rest, you won’t know where the Li’s are, and can never get at the Truth.”

Then they turn on me, with one voice, you understand, and say: “Well, who’s right?” Being an innocent bystander, I put on a trench helmet and gas mask before replying. Then, says I: “You both are.” Afore they could catch their breaths, I went on something like this:

You got to have patience, I’m telling you, with a thing like this. The latest scientific guess makes the world a darn aged piece of machinery. It took some millions of years to get through the red hot stage, then



Our Faces Are Getting Longer?

some more millions to cool off, then a few more thrown in more or less to cover it with water, then—well, you know the rest. So man, being only a few thousand years old, can’t be expected to go too fast. He’s making headway—but kind-of slow. He still calls a lady “chicken” and “hen” like in the good old days; but he don’t beat them up so much any more and he’s given them the right to vote.

They’ve even give one lady Ole Hanson’s job as Mayor

of Seattle. That's not much, of course, considering what kind of timber's been in the job before—but it's a beginning. And they made another the President of a New York bank—because she stopped the employees from striking once, by using woman's wiles, or something like that. And think what damage the W. C. T. U. has done already—just gadding about and making Village Gossip the law of the land. Then, there's Vera's "Ashes" and Ella Wheeler Wilcox's poetry, and a lot of other progressive steps in woman's emancipation, you understand. It's not so long ago that a woman had to take a man's name of "George Elliot" in order to be allowed to write good novels, and now a woman's name is a permit to write bum plays. And men still get up and give them seats on street cars, with about the same chivalrous irregularity. So, there's a big gain there; not to mention all I could say about other things, such as bobbed hair, khaki trouserettes, and ladies' cigarettes.

So you got to be patient, and have a sense of humor, I'm saying. That'll keep you young and you won't ever be disillusioned, not having many of those there hallucinations to start with. As the guy with the pistol against the other fellow's tummy used to say in the 10 cent melodramer back home: "Smile, damn you, smile."

What we are a needing, they have been saying lately, is a good loud laugh that will ring from the Atlantic to the Pacific. A mighty good paper for a capitalist publication is the ST. LOUIS POST DISPATCH. It ups and says we're all too solemn, starting with Clammy Calvin—up or down. Crepes are everywhere—right on our mugs. Our faces are growing longer, if you know what I mean. We're all so economical and sour-stomached from the rotten booze they've been giving us under Prohibition and so snoopy about the other guy's sins and so busy singing the hymns of the sky-pilots what thinks a man can only go to Heaven by beating up a Romanist or a Yid or a red, and burning up everything that brings a joy into life. There can't be any more stars in the Star Spangled Banner. It's nothing but B'ue.

Yep, brother. They're put the Dictatorship of the Puritanical through over us. A Puritan, what's true-blue, won't smile, 'cause he's afraid the other guy'll think he's kind hearted and will take advantage of it. Besides, its uneconomical to smile, requiring action of the face hinges unnecessarily, you understand.

They've made Blue the national color, and "The Blues" the national anthem. And, naturally-speaking, blue blood's become the national desire. That's why so many millionaires' daughters marry no-count counts. And poor working girls do the same thing by proxy—through reading all about it in the tabloids. Which is a darned sight more comfortable experience than going through the real thing, you can bet.

THE WORLD'S PRIZE FOR HYPOCRISY

Awarded to John D., Jr.

LONG ago this magazine nominated John D. Rockefeller, Jr. as the Champion Hypocrite of the Universe. We are pleased to note that Senator Shipstead of Minnesota has awarded him the coveted prize.

With Bible in his hands and eyes rolled to the high heavens, the little Sunday School teacher of Wall Street has become a past master in the "minority stockholder graft". Now he is performing the old stunt on the Western Maryland, where the engineers are on strike and where they are being given the old Rockefeller rough-house treatment.

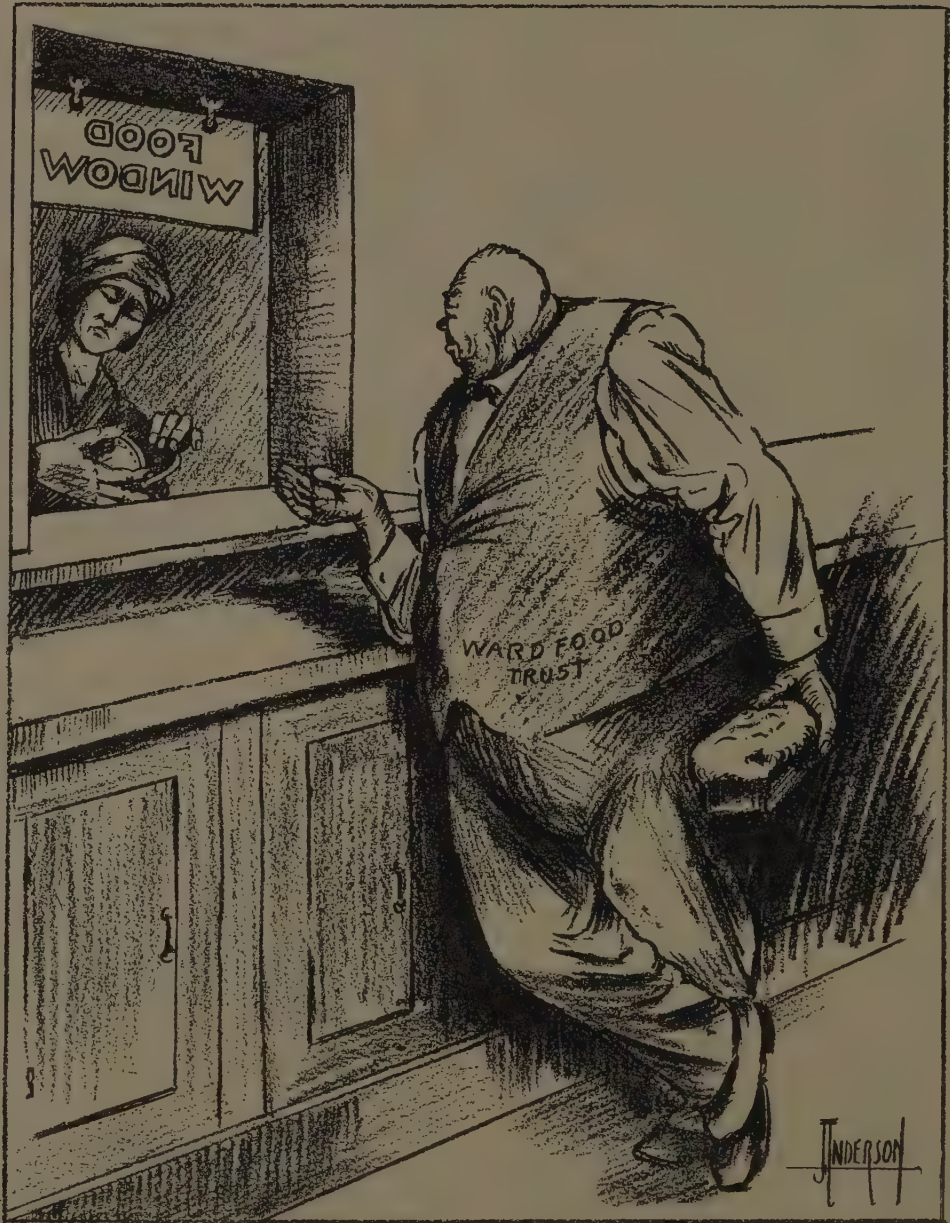
Although he holds a minority share in the stock technically, John D., Jr. dominates the road. That is a matter of common knowledge. His word determines its policies. As per usual, he has set out to crush the union, while mumbling his cant about believing that the workers should be organized. When appealed to, he says, whimperingly: "I am only a minority stockholder, and can do nothing for the dear, dear men." He sang the same tune at the time of the bitter Consolidated Coal Co. strike in Pennsylvania. If necessary, he would sing it again, concerning the same company's dishonest and criminal violation of its contract in West Virginia.

Senator Shipstead showed in the Senate what bunkom John D's protestations are. His coal company is the life of the Western Maryland, and his word is law on that road. The blood of miners and railwaymen are on his hands. Again we call on the Federal Council of Churches to denounce him as that which he is: a traitor to the Christ, whose name he takes in vain.

Big Business is the only guy what's allowed to smile. And he can't do it. For, tell me—How can he stand on the open road at night, free and all, and look up at the stars and see the heavens' laughing? Why, he'd start figuring out how many horsepower each one of them stars had, and how he could hitch it up for profit making. And how could he lay on his back on a nice warm day, on the floor of a hopped auto truck, looking at the sky, to see it smiling? He'd be figuring out the time he was losing and the money he could coin out of the air.

He can only hit a little golf ball around, what can't answer back—thinking all the time it's a worker he's a-hitting.

Yes, you can't deny it. Profit Making and Smiles don't go together. As for me—not that it amounts to much—I vote for Smiles. And that's a vote for Progress, take it from me.



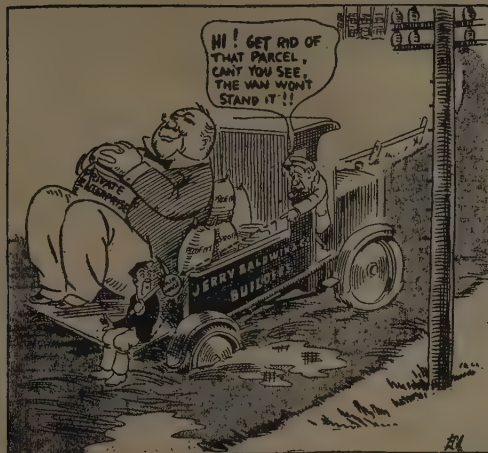
J. F. Anderson of the Machinists

"YOU GOTTA COME THROUGH"

Can Labor Save Britain?

By HERBERT TRACEY

A
GLIMPE
OF
THE
BRITISH
SITUATION



"It's The
Fair Wage
Parcel That
Weights So
Heavily," Says
The Daily
Herald

ECONOMIC conditions in Britain today are serious enough to warrant the most dismal prophecies of impending ruin. For more than five years the country has been floundering in a quagmire of industrial problems, trade depression, and financial difficulties. Low wages, unemployment, loss of foreign markets, an adverse visible balance of trade, high taxation, and a colossal load of debt are for the British people the fruits of victory in the Great war. A brief summary of the position of the country in relation to these several factors will serve to show the character and extent of our economic problem.

Wages have been falling in the trades and industries of Britain since 1920, when the economic slump began. Official figures showing the changes that have taken place in the national wage bill prove that between 1921 and 1925 weekly full-time wages have been slashed by more than £10,000,000 a week, not including the losses sustained by agricultural workers, government employees, clerical workers, shop assistants, and domestic servants. The index number of 3 representative wage rates calculated by the research worker of the Trades Union Congress and Labor Party, based on the "peak" rates in operation in 1920, taking the levels at the end of that year as 100, shows that nominal wages stood at 67.0 and real wages at about 95.0 in 1925.

Among the 12 million wage-earners covered by the Unemployment Insurance Acts the average monthly percentage of unemployed in 1925 was 11.3, as against a normal pre-war average (reckoned over 60 years) of about 4 per cent. Throughout the year the total of registered unemployed workers never fell below $1\frac{1}{4}$

millions, except in the very last month of the year—and this figure is an improvement upon the figures of any year since 1920.

Although Britain's share of world trade has not declined during the five-year slump—the decline in our export trade is no greater than the decline in the world's export trade—the balance between imports and exports has been seriously disturbed. Before the war our huge balance of visible imports over exports was redressed by our "invisible exports", represented by payments for shipping, banking, and financial service, and interest on foreign investments. In 1925 the visible trade balance was against us to the amount of £400,000,000, and our invisible exports left us with about £28,000,000, representing our net surplus as a nation from foreign trade available for investment abroad, as against a sum varying from £100,000,000 to £200,000,000 a year which we had at our disposal for foreign investment in pre-war years.

The Taxpayer "Pays"!

The British tax-payer, with an income-tax limit of £130 a year, surrenders one-fifth of his income to the income-tax collectors. The government raises £800,000,000 a year by direct and indirect taxation, and spends nearly half of the annual revenue in meeting its debt obligations. We are paying an annual tribute to the United States of £38,000,000 to liquidate in 62 years a total debt of £2,000,000,000—money that we never had and that our continental allies in the war kindly spent for us. Our continental allies owe us £2,100,000,000. Two of them, France and Italy, owe us a combined debt of £1,280,000,000. If these two

countries settled with us on the same terms as those we accepted from the United States we should receive from them in 62 years £2,175,000,000 more than we shall in fact receive under the agreements we have actually made with them; and that £2,175,000,000 the British taxpayer will have to find. We shall in addition pay £40,000,000 a year in interest on £800,000,000 of war debt owing to us from Russia. There is about as much likelihood that we shall get payment of these debts as there is that the United States, its bowels of compassion stirred by our desperate economic plight, will forgive us our debts as we forgive our debtors.

These summarily stated, are the facts about Britain's industry, trade, and finance. They reveal a situation of extraordinary complexity and difficulty. To the British Labor movement the situation is one that cannot be met by the use of capitalist methods and machinery. Under capitalism, British Labor believes, matters will go from bad to worse. At its last annual conference the Labor Party, in putting forward a co-ordinated policy of national reconstruction and reform, declared that "a more thorough, a more imaginative, and a more fundamental attack upon the economic inequalities and unscientific methods of national production and distribution than has ever yet been attempted in British history" is necessary.

Labor's Attack—the Mines

This attack is now being developed as a policy of national ownership and economic reorganization. A concrete scheme, illustrating the application of Labor's principles to a basic industry, will show, better than pages of abstract argument, what this policy means. It happens that the breakdown of capitalist methods is most clearly revealed in the British mining industry, and that industry is of such vital importance to the entire national economy as to afford a definitive test of the possibility of capitalism's resistance and recovery under Labor's new form of attack. The validity of Labor's criticism and the value of its constructive policy are strikingly proved by the fact that in dealing with the mining problem the present Conservative government has been compelled to depart from its own traditional principles as the defender of capitalism and the rights of private property.

For more than a hundred years the coal mining industry has been the foundation of Britain's economic life. It is, next to agriculture, the largest industry in the country, and employs more men. Not less than one-twelfth of our population is directly dependent upon it. Without it our iron and steel, our shipbuilding and engineering trades, in fact our whole industrial system, would come to a standstill. The value of its product is in the region of £250,000,000 a year. It provides one-tenth of our exports in value and about fourth-fifths of them in volume; by furnishing outward cargo for our ships it cheapens freights for our imports of food and raw materials for the manufacturing industries.

Intensified competition from other coal-producing countries, and the increasing use of fuel-substitutes, especially oil and hydro-electric power, have seriously affected the British mining industry. Physical difficulties, in part the consequence of the age of the industry,

partly the result of the private and divided ownership of the minerals which has affected the layout of the mines, have tended to increase costs of production; whilst small-scale production, lack of enterprise on the part of mineowners in adopting scientific methods of production and distribution, and wasteful and uneconomic use of the product by the coal-using industries, have brought the industry to the verge of bankruptcy. In the last quarter of 1925, no less than 73 per cent of all coal raised was produced at a loss, the average of that loss over the whole country being 1s 6d a ton; in the principal exporting districts the loss was about 3s a ton.

To save the mining industry and in saving it to effect a regeneration of Britain's economic life, Labor has presented a complete scheme of reorganization. It aims at unification of the ownership of coal, of the ownership and operation of the collieries, of the distribution of coal, and of the export trade in coal. By unification Labor means a system under which a single national authority, having acquired the ownership of the mineral and the collieries, is in a position to organize the entire industry, including the coke and by-product undertakings, without regard to the separate interests of particular owners or particular undertakings; to transform the industry from one engaged merely in the extraction of coal to one that employs modern scientific methods in utilizing coal as the source of power and endless varieties of valuable by-products which are lost when coal is consumed in a raw state; and to co-ordinate the industry with coal and power-using industries, so as to enable these to produce their products at a lower cost and thereby compete with the products of other manufacturing nations in the markets of the world.

A National Service

In a sentence, what Labor proposes is that the mining industry should become a national service, organized for the mining of coal, the production of electrical power on a large scale, making both coke and smokeless fuel, and producing in addition gas, fuel oils, ammonium compounds, chemical base materials from tars, and other by-products. The generation and transmission of electrical power on the largest possible scale, the creation in a word of a "pool" of power from which the entire community could draw supplies, Labor believes to be not merely practicable but vitally necessary as a first step towards the rehabilitation of British industry, including agriculture.

The scheme embodying these far-reaching proposals was framed by a joint committee representing the Miners Federation, the General Council of the Trades Union Congress, the National Executive of the Labor Party, and the Executive Committee of the Parliamentary Labor Party. It contemplates the establishment of a Power and Transport Commission, composed of experts, to survey the problems of power and transport development, to undertake and administer the inter-connection of generating stations and the trunk line transmission of power, and to promote research and commercial development of methods of pre-treatment of coal and the extension of the by-product industry. This body would be the supreme national authority. Below it Labor proposes to

establish a National Coal and Power Production Council, with a series of provincial councils and pit and works committees, representing both workers and technicians as well as the State authorities concerned: its object being to co-operate in the transformation of the mining industry, and to conduct its operations in much the same way as a board of directors is responsible for the conduct of a company. Another national body, representing jointly the workers in the coal and power-using industries and the consumers, is proposed, its purpose being to deal with all matters affecting distribution and consumption, including prices, transport rates, and methods of distribution. And, finally, the Labor scheme contemplates the organization of the export trade by a Coal Export Commission or Public Utility Corporation—a single authority to handle the export coal trade.

Averting Industrial Collapse

Even this rough summary of the Labor scheme will show, I hope, the nature of the policy which is being worked out in detail for application to the essential industries and services of the country. It is an example, and only one example, of the type of economic statesmanship which, under the pressure of dire necessity and to avert industrial collapse, the British Labor Movement has brought to bear in the present national crisis. It does at least face the facts of this crisis, and endeavors to meet it constructively. It invokes science as an ally, and accepts the principle of large-scale production, along with the system of administration by technicians and experts, free from the control of politicians and bureaucrats. It asserts the principle of public ownership, against the vested interests of capital-owning groups bent on making profits. And it associates the workers with the technicians and administrative officials in the conduct of industry organized as a public service.

I have deliberately chosen to elaborate the Labor scheme for the reorganization of the mining industry rather than to describe in vaguer and more general terms the policy of the movement in relation to unemployment, wages, taxation, foreign trade, and finance. The mining industry presents a problem of fundamental significance from the point of view of the whole national economy. Its rehabilitation is a matter of vital concern, not only to those engaged in it but to the entire range of industries dependent upon it and to the oversea trade it sustains. If space were available it would be possible to show the same underlying conception in Labor's policy for the establishment of a national system of agriculture. But it is more to the point to make it clear to those who see our problems only at a distance, through a distorting medium, that this nation of 4 millions, old and set in its habits of thought and its methods of doing things, loaded with debt and treated none too generously by either its creditors or its debtors, carrying the burdens of empire,

and tied by a foolish diplomacy to reactionary allies, is not quite bankrupt of intelligence and at the end of its resources. There is life in the old dog yet. Labor may, of course, fail to overcome the reluctance of the country to adopt new principles and methods; but in adversity the British people have been learning rapidly—and even the political party traditionally opposed to change is stepping out on the path to which Labor has been pointing. The Conservative government, having accepted the report of its Royal Commission that has investigated the coal mining problem, is committed to public ownership



THE TERRIBLE JIN

British Labor has not only the job of fighting a stumbling Tory policy on Coal. In foreign relations it has to deal with a similar bankrupt program—that of Austen Chamberlain.

of minerals, to a degree of compulsory amalgamation of the smaller units of production, to the development by a public authority of electricity supply undertakings—to "Socialism in small doses" as some of its die-hard supporters bitterly complain.

Not very heroic and revolutionary, all this; but British Labor prefers to do all the hard thinking about economic reconstruction before the Revolution rather than after, knowing that revolution will not make these problems any easier to solve—believing also that to affect an economic transformation of this kind is Revolution, and that it is well under way.

Mr. Tracey's article is of vital interest, because of the coal crisis of May 1st, facing the British people. No one is better qualified to discuss this question than he, because of his official connection with the LABOR MAGAZINE, organ of the Trades Union Congress and the Labor Party. It will repay union men to read and re-read his statement of the policy of the British Movement at this critical time.

Drama at Brookwood

By HELEN G. NORTON

"SAY, if I have to die many more times tonight, I'll be black and blue all over!" A very dead corpse sat up and rubbed prominent portions of his anatomy that had suffered in the process of falling dead six times in succession.

"Oh, cheer up! At least you don't have to get up at 5:30 to make breakfast." This from a languishing young lady in a pink cheesecloth dress and a picture hat.

"Hey, Andy! The water's off. Better take a look at your pump!" And an erst-while comedian tore out the door and down the hill to the pump house at full speed, to the imminent danger of the green and white patchwork pants he wore.

All this in an institution consecrated to the training of labor leaders, where students are popularly supposed to sit up half the night absorbing the philosophy of the Labor Movement—for Brookwood Labor College at Katonah, N. Y., is a serious-minded institution.

What does it mean, this sudden interest in circus clothes and the art of dying gracefully? Only that there is being launched at Brookwood an experiment in the evolution of labor drama.

And by labor drama is meant, in the opinion of A. J. Muste, head of the school, the building up of plays and pageants which will portray workers' lives—their problems, their philosophies, their joy and their grief—not as material for stage effects merely as a playwright would see them, but as a means of self expression.

"Labor drama, as I see it, may serve several purposes," Mr. Muste said. "It may be a means of self expression, making the Labor Movement more vital to the workers themselves; it may interpret the Labor Movement for the public in more sympathetic and appealing terms than abstract reasoning can do; it may be a means of entertainment, particularly in isolated regions where the pool room and the blind tiger are the only means of diversion."

The Brookwood Players, as the student-actors are styled, recently produced at the Labor Temple in New York City, three plays with workers' lives as their theme—"A Dollar" by David Pinski, being a satire on the power of money; "Peggy" by Harold Williamson, a tragedy of the lives of the poor white farmers of the South; and "The People" by Susan Glaspell, a comedy portraying the trials and tribulations that befell a labor paper.

A more appropriate cast for "The People" could hard

ly have been found than the one which Brookwood produced. There were seven nationalities represented among the twelve players—English, Hebrew, Italian, Negro, Finnish, Slav, and American. Moreover, the players came from eight trades. Four were from the needle trades; the others were clerks, machinists, teachers, miners, textile workers, and plumbers, with one representative of the Finnish cooperatives.

Brookwood, succinctly described in the school catalog as "the only resident trade union co-educational institution in the United States", aims to have its student body represent a cross section of the Labor Movement. There are students from 16 nationalities and 19 trades, who come from as far north as Wisconsin, as far west as Colorado, and as far south as Kentucky and Virginia.

When these plays were given at Brookwood, the students made the scenery and curtains, arranged the lighting, and designed and constructed the costumes. And why not? For does not Brookwood have union dress-makers and electricians and carpenters?

There is a dearth of plays suitable for labor drama, as Miss Hazel MacKaye, who supervises the work at Brookwood, found when she tried to find representative plays. But there is a way out of that—let Labor write its own plays.

And it can be done. For did not Bonchi Friedman, a member of New York Local 248, Amalgamated Clothing Workers, write a play, "Miners", which 25 students gave before the annual Washington's Birthday conference of teachers of workers' education held at Brookwood?

There was the real stuff of life in that play—the loyalty of workers to their union; the sacrifice, not only of self but what is infinitely harder, of one's family; the resentment of workers who have no alternative but violence against the schemes of the capitalist boss; mob action that is well intentioned but dangerous unless held steady by clear-sighted leaders—these things were portrayed as the author of the play had seen them.

For Bonchi Friedman is no abstract philosopher viewing life's struggles from afar. He was born in a hovel in Russia and at the age of nine was working 14 hours a day in a factory for 7 kopecks (3½ cents) a day. He was flogged and left naked to die of cold in the woods while touring the eastern states on behalf of the Russian famine sufferers—this in America, the land of the free, in the year of our Lord 1921. He is now in danger of losing the use of his left arm because a guard

Play by
■
Brookwooder



"MINERS"

banged him on the wrist with an iron bar when he resisted having finger prints made. The broken bones were never properly set and arthritis developed, from which he still suffers.

One does not expect "pretty" plays from such a writer, and "Miners" is distinctly not a pretty play. Yet it does show an unusual insight into human nature, an inborn sense of the dramatic, and a certain grim humor.

But it is not a contribution to The Drama (in capitals) that Brookwood is seeking. The time is yet far off, probably, when America will have a definitely proletarian art such as is found in European countries.

drama—how to pick plays, how to select actors for them, how to get scenic and lighting effects with simple equipment; how to develop clear enunciation and interpret the meaning of the play."

For they are keeping in mind at Brookwood that labor plays will be most popular and effective not where there are fine theatres and professional actors and expensive scenery, but among local unions and groups of workers where the Woodmen's hall or a church will be used; where red calico curtains will be perked back and forth on baling wire; where coal-oil lamps, or at best, acetylene, will light the stage; where costumes will come, not

"PEGGY"



Tragedy
of the
Poor White

"What we are trying to do is not to train accomplished actors—though many of these students have shown unexpected ability," said Miss MacKaye. "We are trying to send this group of student-workers back to their various communities with a practical knowledge of the

from a theatrical house, but out of old trunks; and where tired workers and sleepy children will have to rehearse at night—which means that they must have plays easy to memorize and give.

The worker's story thus can be made attractive,

Beating the Loan Sharks

The Headgear Workers Do It—With Their Credit Union

By GEORGE M. SPECTOR

THIS is the second of the series of occasional articles on Labor's new efforts, of which Matthew Wolf's article on Insurance was the first. The headgear workers have accomplished something that gives promise of being of big help to their unions and of bigger help to the unions' individual members. Mr. Spector's account is most interesting.

DOCTOR'S bills come to every home. There are the illness of youth and the illness of old age.

There is maternity. Sickness is made worse, and the joys of parenthood darkened, if the price of this misfortune or fortune is long bondage to the loan shark.

The shadow of this money vulture hangs over many a workingman's home. I don't have to go into detail on that. You know it, and so do all of us. It is part of the worker's life.

It was once a part of the lives of the headgear workers of New York, also. It is so no more. The unions in this industry—the Cap Makers and Millinery Workers and the United Hatters—have put a stop to the loan shark's little game—by establishing a credit union for their members. We wrote about this once before in these pages, and we now want to report further progress.

To-day we solve the individual problems of the workers in caps, hats and millinery. Dentists bills are met; education is secured; mortgages are paid on homes; diamond rings are purchased for sweethearts—through the credit union. Suicide has even been prevented, to credit the statement of one member who secured a loan in a time of dire need. "Shylock" has been put to rout in these cases, for the union only charges 6 per cent.

Last year was a banner year for us, despite the credit union's youthfulness. We did a business of \$250,000, including the extension of 800 loans. Over \$100,000 was deposited, and our membership grew to 900 in all. Our loans ranged from \$10 to \$2,000—some running for five years, when based on tangible security. No advantage was taken, of course, of the great need of the person loaned to and no extra fees or commissions were charged to cover "risks".

The fact is, we have no "risks", in the ordinary sense of the word. Not one cent has been lost in bad loans; the confidence of the workers in their own institution making them honest, careful and loyal in fulfilling their obligations. Loans are given on the endorsement of

two fellow-members of the unions interested, and that is necessarily a helpful safeguard toward prompt and steady re-payment.

A Real Cooperative

The Headgear Workers Credit Union is a genuine cooperative banking institution—not run on capitalist lines, but on the principles of real cooperation. It is chartered under the banking department of the State of New York, and subject to examination without notice. The examiners have always found our institution in A-1 shape, and we have violated none of the rules for cooperative credit banking, not even to the slightest details. So the banking department has found in their regular inspections. This is a matter of pride to us, because it is an indication that labor is well equipped to cooperate intelligently and effectively, for its own good, if it goes about such cooperation in the right way.

And our institution is 100 per cent cooperative and democratic. We are not engaged in large-scale banking deals with outside concerns. We are concerned, on the other hand, in providing quick and easy credit for our members, who are hard pressed; and also to afford a place for savings for those who deposit with the credit union. Our success, from a financial viewpoint, is shown by our payment last year of 8 per cent dividends on the investment.

Our success, from a moral viewpoint, is easily understood: in the increased loyalty and confidence in the unions which such personal aid gives to the membership. We are not waiting for the employers to introduce "savings banks", "mutual aid associations", etc., which tie up the workers' money and tie their hands in making industrial demands. The headgear unions mean to take care of that themselves. In giving direct and immediate financial aid to the members, under the credit union, we spike the employers' chance to get in a blow along the same lines, we do a real service to the member and his family, and we help to build up union morale to a considerable extent.

Union Group Insurance

An added benefit, growing out of the credit union, has been the establishment of group insurance—under union, not employers, auspices. By taking out insurance on the group plan, the member pays only 90 cents a



(See page 26)

Never has there been a more gallant struggle for industrial justice than that of the textile workers at Passaic. Never have the police been shown up in their brutal rottenness as in this encounter. It encourages the toilers all through the work-hells of Northern Jersey. From Perth Amboy to Bayonne, the echo of Passaic is being heard. Its swelling call to "Freedom" is finding a response in the cable works of the former city, in the oil refineries of Constable Hook, in the beaten and bullied auto slaves of Durant in Elizabeth. We hope to see all of Northern Jersey ablaze with strikes shortly, as the outcome of Passaic's victory. For victory is now won—and it is the police who have won it for the strikers. This cartoon from the NEW YORK WORLD is eloquent of the facts.

month for a \$1,000 policy. This means that he pays \$10.80 a year under the group plan as against \$35 a year under the private insurance (individual) plan. The whole business is scientifically adjusted, on the regular group insurance basis. Here, again, we beat the employers to it, so to speak. The union group insurance does not tie the workers' hands. It strengthens them and releases them, to make their demands with more courage and effectiveness.

Saving a man from dishonor, in order that he may pay his debts, is a good thing. Our records show how widespread has been our work in doing that. But in saving a group of workers from dishonor, by aiding them to build up their group virility, and thus advance

in their union progress rather than surrender to the employers is a bigger achievement. When group insurance or savings banks or loan associations come into an industry, under employers' auspices, they are not benevolent institutions, you may be sure. They are brought in to attach the worker to his boss' skirts. Freedom and manhood are bartered away for the mess of pottage of the right to get a loan or a cheap insurance policy.

The headgear workers—cap makers, millinery workers and hatters—are getting their own loans and their own reasonable insurance on the group basis, through their own union institution. It makes for a union psychology and a union loyalty, that anti-union attacks will not easily break down.

Correspondence Lessons

Furnished by Workers' Education Bureau

By C. J. HENDLEY

THE OPEN SHOP—AND AFTER

Mr. Hendley's article for this month is a continuation of his discussion of the Open Shop drive, in the last issue. Labor has gone down and up in past industrial history, ever in the long run rising a little higher in its effort to overcome the employers.

Why the Union Shop?

The labor union is just as necessary a part of the industrial system as the corporation. It has come into existence because of workmen's aspiration to be something more than a slave in the industrial system. As Fitch expresses it in his "Causes of Industrial Unrest", wage-earners are human beings and have the aspirations of human beings. They are dissatisfied with bare living wages and a servile status. And one way in which they express their aspirations is in organizing to obtain some power in bargaining for wages and better working conditions. The individual worker is obviously helpless in bargaining with powerful corporations for a job. His right to work has been described as the right to go from one powerful employer to another to beg for a job, and, failing to find one, to go to the poor house. (Clarence Darrow, "The Open Shop").

Under present conditions there is no such things as the freedom to work as one pleases. The industrial system is so vast and complicated and all its parts so interrelated that it operates without regard to the individuals in it. And the weaker labor is the more mercilessly is it exploited by the system. It is only through organization that workers can obtain any sort of bargain with their strongly organized employers. To insist that a worker has the inalienable right to be a non-union worker is to say that he has the inalienable right to be a slave.

It is as reasonable and just to require workers to join the union in order to work in a certain shop as it is to require them to abide by the numerous regulations and restrictions that corporations make for their employees. As a matter of fact, any human right is contingent on the welfare of society generally. If a non-union worker as such jeopardizes his own well-being and the well-being of his fellow workers, it is no encroachment on his rights to give him the choice of joining the union in a given shop or seeking another job.

The Company Union

Employers are continuing unabated their efforts to undermine the power and influence of labor unions. Their methods have become more effective for their purpose because they have become more refined and indirect. One of the most effective means they are now employing very widely is the company union. It is an out-of-date corporation that does not provide some means for "collective bargaining" with its employees. The nature of these company unions have been well described in the February and March issues of *Labor Age* by Robert W. Dunn. Of course, the company unions are owned body and soul by the companies organizing them. If these corporations were really committed to collective bargaining or to the principle of industrial democracy, they would deal with the unions that their employees have themselves organized. They would meet their employees on a basis of equality rather than on the superior basis of both employer and dictator over the union. The central object of capitalist management is the highest rate of profit that can be had without endangering the continuance of that profit. Progressive and up-to-date managers will take into account the human element in their organizations, study the psychology of their employees and seek to avoid any friction that will interfere with the smooth operation of their enterprises; but they must, of necessity, stop short of any policy that would put the welfare of their employees above the private profits that they seek.

There is abundant evidence that company unions are wholly inadequate to express the grievances and demands of employees. Representation in the unions is unfair in that the real representative of the employees cannot secure election or cannot freely express the grievances of his fellow workers without endangering his own job. There are many refined methods of getting rid of undesirable representatives. The company union really denies to the employees the expert assistance and advice of experienced union men. The company invariably reserves to itself the right of a final veto on all decisions made in "collective bargaining" that affect their profits. The paramount aim of business corporations is to enrich the dominant stockholders; the welfare of employees must, in the nature of things, be subordinated to this object.



THE CHALLENGE
Australian Workers Union Fights "Crimes Act"
—The Australian Worker

The company union diverts the aims of labor from that of social well-being to the enhancement of business profits. Whereas, organized labor seeks the dignified status of freemen, the corporation seeks to make loyal, peaceful subjects out of all its employees.

Benevolent Despotism

It is to this end that all the numerous welfare activities of corporations is directed. The last convention of the Brotherhood of Locomotive Firemen and Enginemen took decisive measures to combat the insidious influence of the various organizations that railroad companies have devised for enslaving the minds as well as the bodies of their employees. They adopted the following resolution:

"That this Convention go on record as declaring organizations such as Mutual Benefit Associations, Provident and Loan Associations, Athletic Associations, Veterans' Associations, Old Timers' Clubs, the Square Club (for Masons only), the K. C. Club (for Catholics only), the Women's Aid, the System Fraternity, or other organizations for employees promoted and maintained by the railroad companies to be a menace to this Brotherhood and detrimental to the interests of our members.

"That any member of this Brotherhood who fails to relinquish his membership in any such club or organization shall automatically forfeit any office he may hold in this Brotherhood.

"We further recommend that this convention go on record as declaring 'Employer Group Insurance' to be a menace to this Brotherhood. That the use of coercion or intimidation in any form in getting men to take this insurance should be treated by the members as an attack

on this Brotherhood, a grievance against its members, and to be dealt with accordingly, and that the economic strength of the Brotherhood be used if necessary to stamp it out.

"We further recommend that our International President use every means at his command to combat the activities of railroad companies in organizing these various social and industrial clubs and associations and group insurance plans, by a thorough system of education of our membership calling their attention to the evils and dangers of them through our publications, and by the use of vice-presidents and general organizers.

The last convention of the American Federation of Labor authorized the Executive Council to collect information of the activities of company unions and to devise the best possible means of combatting their dangerous influence.

Suggestions for Further Study

The American Federation of Labor publishes numerous pamphlets on topics of interest to labor. A postal card addressed to the American Federation of Labor, A. F. of L. Building, Washington, D. C., will bring you a list of them. On the open shop, you should ask for the correspondence between Samuel Gompers and Newton G. Baker and Gompers' editorials on this subject, and Frank K. Foster's pamphlet entitled "Has the Non-Unionist the Right to Work How, When, and Where He Pleases?"

Hammersmark Publishing Co., Chicago, publish Clarence Darrow's pamphlet, "The Open Shop". This is a little classic.

Labor History in the Making

By LOUIS FRANCIS BUDENZ

IN THE U. S. A.

INCREASED MILITANCY AND UNITY

PRESIDENT GREEN of the A. F. of L. has achieved another fine victory for unity in his conciliation meeting between the two rival groups in the striking Furriers Union. Conditions, which any set of workers might envy, have come out of these meetings. The employers, hard put to it by out-of-New York competition and the solid ranks of the workers, have capitulated. The 42-hour week comes into the industry. The restriction of sub-contractors and the stoppage of all learners coming into the trade for two years are definite guarantees.

This is one sample out of many, of the increasing militancy and unity within the ranks of Labor during the last six months. Passaic is another. The tugmen's victory in an overnight strike a third. A mushroom organization, the tugmen struck as a unit. Their demands were met within twenty-four hours. Wage increases and better conditions result.

The United Mine Workers' decision to fight injunctions by violating them gives another cue to the new militant attitude, gradually making itself felt among the organized (and even the unorganized) workers. The "company union" humbuggery is being understood. The fact that good conditions will only become permanent through a real organization, controlled from top to bottom, by the workers themselves, is being driven home.

Opportunities for organization are presenting themselves on every side. It is by a militant and intelligent effort that these opportunities can be seized upon. A new era of labor activity has arrived. The likelihood of Passaic's strikers coming into the American Federation of Labor is an indication of that unity, which all sections of the Movement must strive for, as a matter of self-presentation and progress. The recurrence of successful strikes gives a good idea of the things that are ahead in 1926 and after.

NEW VOICES ON THE AIR

Chicago Federation's Radio Broadcasting Station

MR. PICKWICK, it will be recalled, got into a peck of trouble with his landlady by not making himself understood. He meant to express his sympathy for her; she thought he was proposing. Result: the famous breach-of-promise suit which makes us laugh to this day.

Up to the present, the organized workers have been largely in the boots of Mr. Pickwick. They have had a hard time making themselves understood. Channels of publicity have been closed to them—and publicity, anyway, has not been their long suit.

Chicago's Federation of Labor proposes to change all this. It is supplementing its excellent weekly, THE FEDERATION NEWS, with a new experiment in the Labor field. This is a radio broadcasting station. Soon, Station WCLF—its probable lettering—will be broadcasting daily news that will give the workers' side of it. Speeches made in union halls in Chicago and vicinity will also be picked up and distributed through the air.

By unanimous vote, the Federation has recommended to the Movement, in Chicago and vicinity, that labor men assess themselves voluntarily at the rate of \$2 a year, to be paid in quarterly installments. In that way, the

radio station will be financed. It is an ambitious project, and a needed one.

Only one kind of voice has been heard over the air thus far. It has been the voice of Wall Street, soft-soaping the farmers and counselling "obedience" to the workers. A little counter-irritant will be a good thing. The Kansas City Employers Association has already become wrought up by the Chicago move, and has issued a letter calling on employers to halt things of this sort.

THIS CRIME MUST STOP!

Murder of Miners Continues Through Greed and Negligence

MUCH fuss is being made in the public prints over crime waves in our cities. Human life is being rated cheaply by toters of guns from the underworld, it is held. Drastic steps are suggested to check this disease, which the war aided to make an epidemic.

Within the scope of this drive against murder, should be included the criminal negligence of those mine owners who are killing off their workers like flies. Words are almost inadequate to express the shocking character of recent mine disasters in "our" America. Eight mine disasters reaped a death roll of 225 men, in the short space of two months. This is only 12 less than were

killed through like cause in the entire twelve months of 1925.

The absurd thing about this whole grim record is, that practically all of these "accidents" could have been prevented by the smallest of caution and the cheapest of expense. The cost of rock dust is almost nil. Its results are, to prevent dust explosions. Coal dust is the agent that brings on most of the mine disasters.

The American Association for Labor Legislation has performed an invaluable service to the workers and to humanity by its campaign for adequate mining laws. Rock dusting of mines should be a legal necessity. As a result of the Association's campaign, three additional States—West Virginia, Wyoming and Pennsylvania—passed laws in 1925, providing for the rock dusting of bituminous mines. All coal States should follow suit, and labor unions should be in the first ranks of the fight for this protection for their brothers. Adequate mine inspection forces should be another requirement, free from political or industrial pressure or control.

To which we would add, that miners everywhere should be subject to the miners' certificate laws which exist in the Anthracite. Twenty-five thousand miners have been killed in these United States 10 years! It is about time that a ston was put to this wholesale murder.

THE MAN COVERED WITH SORES

HE has been bedfast for two years. He lies in an atmosphere of filth, in a fallen-down building crawling with vermin. His body lies upon a straw tick bed. Blankets are provided for coverings. An old tomato can serves as a cuspidor.

He looks like a wild beast just out of a jungle. A matted beard, untouched since he came, falls dirty and shaggy from an unwashed face. His toe nails are as long as those of a polar bear. His body is scaley with scabs and sores. In the building with him are other old men, weak and infirm, who attend him sometimes. The steward never looks at him and will have nothing to do with him.

This is the proud old age provided by the State of Pennsylvania the great and glorious State of Pennsylvania if you please—for those who have worked for it during their youth and manhood. This is the fate of the workers of the Keystone State, the Great Industrial State, the Seat of Industry, the Hub of the Great and Glorious U. S. A., the proud mistress of Steel, Wheat, Iron, Coal and God knows what else.

This is the proud old age to which the Manufacturers' Association of that Commonwealth points with pride, when they attacked the old age pension plan as "Socialistic" and had it declared unconstitutional. This is the proud old age—my dear smirking silk-laden respectable prostitute—that your husband is fighting to continue in order that he will not be taxed, in order that you may have more silk on your rotten limbs.

Harsh words, eh, friends? Yes, harsh words—for the filth and vileness that the Lords and Ladies of Penn-

sylvania have wished on the unfortunate workers, whom they force into their almshouses when old age comes. Harsh words, based on facts—facts again presented to us in a "State Wide Survey of the Poor Relief System in Pennsylvania," made by Emil Frankel for the Department of Welfare. (The survey has just been issued in pamphlet form.)

What a biting irony in those words—the "Poor Relief System". It is not a system; it does not relieve the poor. Rather, a hundred times does it add to their suffering. Better to take them out and shoot them, than to send them to these foul holes termed "almshouses".

The case cited here is one of many. Like a dirge reads the report of almshouse after almshouse. "Filthy, unfit, dilapidated. Outside toilets. Kerosene lamps. No fire protection. Vermin-filled. Ricketty bedsteads with foul mattresses and coverings. Roof leaking. Floors worn out. Plaster falling from walls. Steps dangerous in places." So, on and on, in a devil's litany of rottenness.

Pennsylvanians, what is wrong with you? Burn down these hell-holes! Arson would be a wise and patriotic act. The organized workers, through the State Federation, have offered a substitute in the Old Age Pensions—that would allow aged workers to remain Men, not animals. Fight to have this put on your statute books, despite your sleek and pimp-like judges. Other States will follow your example. They also have their sins against the old and infirm.



THE NEW FEUDALISM
Art Young's vision of our present "Democracy"

Two Vital Issues

CHRIST IN PASSAIC

"Blessed are they who suffer persecution for justice-sake"

DOWN through the ages that cry has come. It is heard at this moment in Passaic. The animal, Chief Zober, has been re-inforced by other beasts, foaming at the mouth. They read the riot act to strikers, whose only offense is that they allowed themselves to be the butts of the policemen's clubs. The metropolitan papers have given a strike story, for once, in all its vivid details—and the people at large know, for once, what is happening in a strike region.

Norman Thomas' arrest caps the climax of a long series of police outrages against the workers of that cancerous Jersey town. The issue is no longer one of mere justice to men and women, working at low wages. It has become one of free speech and of the defence of the most fundamental of American rights.

There is an old masterpiece entitled "Christ in Flanders", showing the Man of Nazareth appearing to the captains of blood and iron on a battlefield—rebuking them for their inhumanity. What a masterpiece would be made of "Christ in Passaic", standing before the ape-man Zober, speaking words what Zober could

never understand! Christ in Passaic would soon be Christ in the Hackensack jail. And the local American Legion, taking the place of the Roman Legion, would goose-step to His crucifixion.

Workers, there is only one lesson to be learned from Passaic. It is that our motto in future strikes must be: "Defiance to Courts and Cops". Not in confronting violence with violence. But in meeting violence with fearless folded arms and with mass demonstrations, that will attract the attention of a stupid public, lost in the mazes of Coolidgean claptrap.

Bravery wins friends and admiration. The Mayor of Wallington, a neighboring suburb to Passaic and Garfield, has come forward with the offer of seven lots in his city to the strikers for meeting places. He means to assist in defying the sheriffs. More aid will come to the strikers in Passaic.

And the reason for this outside help is this, that they as a mass have stood for their rights and freedom, and have taken as their motto, in action if not in words: "Go to, with the Police". It is the motto that will win.

A FASCIST LAW IN AMERICA

IS the President of the United States to have power over the lives, wages and working conditions of the American workers which a Czar or Kaiser never had? Is Mussolini to be rivalled in his castor-oil rule by an American ruler, who can conscript toilers in an emergency, send them into the army or dictate the wages which they shall receive at their labor?

That, brutally, is what the Capper Bill proposes to do. It has been introduced at the request of that peculiar organization, the American Legion. Talking about "conscripting industry", the Legion is fighting merely to conscript the workers. It is only a short time since the Legion made an arrangement of amity and accord with the American Federation of Labor. And now we behold them attacking those men whom the American Federation of Labor represents. Judas betrayed the Christ for 30 pieces of silver; what is the price of the Legion's betrayal of the A. F. of L.? It certainly was not the bonus, for the reactionaries killed the bonus. It certainly is not anything tangible that the ex-soldiers have gotten, at any time, from Harding or Coolidge administrations. Can it be that the oft-repeated charge is true, and that the Legion is merely the creature of the Employing Interests, organized to serve as our super-strike-breaking agency, in time of emergency?

Father John A. Ryan, of the National Catholic Welfare Council, hit the nail on the head when he characterized this as the most autocratic proposal ever made for any modern government. If the bill were to become law, every man between the ages of 18 to 45 would become subject to conscription, without notice, at any time that a President thought the emergency demanded it. Of course, the pretence would be war or the threat of war. But there can be "civil war" as well as foreign wars. A labor crisis of a large-scale character might be construed as a "war emergency", and Briand's trick of conscripting the workers in the industry affected might be resorted to by an anti-labor executive. Power, anyway, leads to abuse. This enormous power, in the hands of one man, would give him a plaything which he might use at almost any provocation, fancied or real.

It is not without good cause that the American Federation of Labor is fighting this bill. Workers, organized and unorganized, might be grabbed up at any moment, under it, and find themselves virtual slaves of a man—who might be a political accident, even as Calvin Coolidge is. This bill must be killed. It is up to us to put the measure on the shelf. A communication on this subject to your United States Senator, at Washington, will be a real blow for freedom.

Again must we call your attention to the Brotherhood of Sleeping Car Porters, who are making a valiant fight against the vicious Pullman company union. Individuals and unions should help these men. They are gaining against the company, as articles in future issues will record. Send any money that you wish to contribute to Roy Lancaster, Secretary, 2311 Seventh Ave., New York City.

In Other Lands

A GLANCE AT THE WORLD

Labor problems push themselves forward in every land. France has not merely the national financial difficulty on its hands, about which we hear so much in our newspapers. There is also immigration. Again has that come to the fore with the attack on ninety Polish railway laborers by a large group of French unemployed, near Paris. At present, there are more than 2,000,000 alien workers in France, mostly Italians and Poles. Should there be a serious wave of unemployment in France, such as Germany and England are now having, these newcomers might cause an embarrassing crisis.

Both sides in the British coal dispute are waiting for action on the Coal Commission report by the Government, and preparing for any eventuality. The Tories continue the building up of a great strike-breaking machine, known as the Organization for the Maintenance of Supplies and referred to here a number of times in the past. The Labor forces accuse the Government of attempting to create a huge "Fascist army".

A remarkable demonstration of group loyalty and solidarity was given by the engineers (machinists) at the great works of R. Hoe and Co. in London, when they returned to work at the plea of the radicals in the Labor Movement, after having refused to heed the requests of their leaders. It was agreed on all sides, that their grievances were just. But a national machinists' dispute is on the horizon, and it was not thought desirable to complicate the nation-wide demands for better wages by a local "out-law" walk-out. "Hoe and Co." is the British trade name for American interests, who run their American plants on an "open shop" basis.

The Dawes Plan, as we forecasted, is proving of greater aid to the American banking interests in their financial conquest of Germany, than to the German workers. Unemployment is steadily on the increase. Two million were out of work in February, and mass demonstrations have been held in all parts of the country, demanding a change in the situation.

Political lines broke down completely on the question of the "confiscation" of royal properties or compensation to the ex-rulers of Deutschland for such. The Socialist and Communist Parties held out against the demands of the deposed princes. To the surprise of the world, they have secured a great triumph for their referendum. Twelve million voters signed the demand that the question of "confiscation" be submitted to the people. Members of all parties registered against the former rulers. If the referendum carries, the royal properties will be taken over by the State, without compensation.

Italian Fascism is having far from smooth sailing. Mussolini has fallen down on his promise to make that land a capitalist El Dorado. The housing conditions are deplorable, and have led to rioting—despite the fear of the Iron Fist. Unemployment remains a ticklish difficulty. The dictator has one outlet, which he has seized on: to distract popular attention by a war of colonial conquest. He is preparing for this in his trip to Tripoli—to look over the possibilities of further Italian "expansion".

The resignation of the extremist Farinacci as secretary of the Fascist Party and the appointment of Turati to his place, means no let-up in the attacks upon anti-Fascists. The maneuver was largely for the purpose of completing the job of destroying all real labor unions, whether Catholic or Socialist—thus making the workers mere pawns of the State.

Over in Russia, Zinoviev's defeat on the peasant policy has been followed by his ousting from control in the Leningrad Soviet. He continues, however, at the head of the Communist International at least until the general convention of that body next year. In his recent address to the Enlarged Executive Committee of the International, he predicted "a prolonged period of the bloom of the labor aristocracy and its ideology" in America, while for Britain he foretold the approaching "revolutionization" of the Labor Movement.

VALUE OF THE 8-HOUR DAY

PROFESSOR EDGARD MILHAUD has been making a study of the 8-hour day, for the International Labor Office of the League of Nations. He has gone into many countries of the Western World in search of information. Employers, workers and governmental agencies have been consulted, and their reports read.

Progress in factory methods is one large result of the coming of the shorter work-day, the Professor finds. Employers are obliged to change their methods, to bring in new machinery and more efficient ways of doing business. Equipment is improved, under the stimulus of the new arrangement. A typical report is that of the Swedish Federation of Saw Mill Workers, which states:

"The hourly output per worker has increased in 1921, owing to the fact that under the 48-hour week the actual working hours are better utilized than under the 57-hour week which was still in force in 1919. The employers fitted up the saw mills with improved machinery so as to be prepared for the 48-hour week and this has naturally helped to increase the workers' output."

The worker himself, aside from the coming of the machine, improves under the shorter workday. This is common sense, of course. But frequently employers seem to lack that. The testimony secured by Professor Milhaud shows conclusively that the 8-hour day, in doing away with much fatigue, makes for better work and greater output per worker.

When the human side of the question is considered, the worker (and therefore Society) gains immensely by the shorter day. His social and family life is benefited. It is a great relief to be able to spend the evening hours at home, and not to have the early starts of the long working hours. Education increases and alcoholism decreases. The workers know this, without studies; but Professor Milhaud's work is a strong argument in the hands of Organized Labor everywhere.

Putting aside the human factor, the 8-hour day is of advantage to Industry itself—in increased production and the speeding-up of more modern methods of conducting work.

FASCIST "TRADE UNIONS"

NO wonder Judge Gary loves the Italian tin-horn Napoleon, Benito Mussolini!

The Murderer of Matteotti has gone the worthy judge one better. He has dissolved all trade unions by force—Socialist, Catholic and Anarchist. In their place he has set up Fascist trade unions—the only labor organizations now allowed in Italy. The officials of these unions are not chosen by the workers in them but by the Fascist Party. As the Fascists in reality do not number 10 per cent of the organized workers, this means that 90 per cent are to be governed by the small minority.

Strikes are forbidden. If a man dares to use this weapon, imprisonment is the penalty. The workers must be satisfied with whatever arrangements are made with the employers by the Fascist representatives. If any one dissents from this view, he is simply beaten up—whether he be Catholic, Socialist or whatnot. These "unions" are forbidden to have anything to do with outside organizations except at the express consent of the State. "In other words," says Professor Salvemini, the distinguished historian, "they may have relations only with the Ku Klux Klan of the United States of America."



GOOD NEWS FROM AUSTRALIA

OLD MOTHER HUBBARD'S cupboard could be no barer in bones than the Island Continent across the Pacific is to the international employing interests in the way of hopes or consolation.

Despite the post-war slump that came to almost every nation, the industrial workers in Australia left behind them another year of progress in 1925. Militant always, the Labor Movement there again engaged in successful strikes—the Waterside Workers Federation, the seamen and the Queensland State railwaymen all winning in their battles with the employers. On the rails, the men—18,000 strong—laid down their tools, completely tying up traffic for a week, and then securing all demands.

But there is more to be told. Queensland and New South Wales established the 44-hour week by law, night baking was wiped out, and the unions gained increasingly better conditions all around. Two more State Parliaments were captured by the Labor Party in 1925, thus putting them in control of five out of the six Australian States. Closer industrial action was promoted by the formation of a Grand Council of Labor composed of the local councils, which promptly issued a call for a conference for all labor political and industrial organizations in countries bordering on the Pacific. This, to be held in Sydney on May 1 of this year.

When we learn further that 46 hours is the average work-week in the country and that 55 per cent of the male workers are unionists, and 35 per cent of the women are organized, we begin to get a vision of what Australian Labor has accomplished. American workers must become more and more interested in the land across the Pacific, for our destinies are ever being more closely woven together.

TORY ELECTRIC "SOCIALISM"

BRITANNIA has suddenly awakened to the thought that she must not only control the waves of the briny deep, but electric waves as well. Electric power is the coming power. And in her present cares and complications, the former Empress of Capitalism must turn to it with speed, to help set her house in order.

For which purpose, Tory Premier Baldwin has brought forth his national electric scheme. It has some startling proposals connected with it. Giant stations are to be erected, owned by the State. These are to send their power, over high tension cables, throughout the British Isles. The giant stations are not the cause for the excitement, however. These are being proposed by electrical engineers all over the world, from America to Russia. It is the State ownership of the same that has disturbed some Tory heads. They talk of its as "Socialism", and are reported to be in revolt.

But Baldwin will win them over, say present British prophecies. After all, in the main, the State is to hold the bag under the scheme, and profit makers are to reap the dividends. The operation of practically the entire system, which the State will build, will be in private profit-making hands. That will help reconcile the Tory "rebels".

Anyway, the British capitalist "devil" is sick. Private enterprise has little enterprise left in it. And a sick devil frequently turns monk, the old song tells us. Any device, "Socialistic", or otherwise, will be adopted—to stave off the coming into full power of the Labor forces.

THE WAR ON WHITE LEAD

A WHITE plague, as menacing as the dread tuberculosis, hangs over the workshops of the world.

It is the white lead, used so freely in painting compounds. The user of the brush or spray machine has ever before him the prospect of a painful, burnt-out old age, from the ill effects of this ruthless poison.

The International Labor Department of the League of Nations has ranged itself against this death-dealer. One of the first fruits of its war, is the action of France in killing the use of white lead in any form, in all painting work of any kind whatsoever.

Switzerland—though slower than France—is also taking up the consideration of what to do about lead poisoning. Already, the Swiss Government has undertaken a four year experiment, beginning in 1924, in prohibiting the use of white lead in all public work. The effects of such prohibition will be checked-up, and future legislation for all industry based on what is learned thereby.

Women and children under 18 are now prohibited from working at trades where the poisoning danger exists. The Swiss Labor Office reports that its statistics show over 6 per cent of men painters died from lead poisoning each year. Almost invariably, these victims work in undertakings not covered by the compulsory insurance act; so that the extension of compulsory insurance is recommended as one way to help. But that is merely a sop, to stave off the opposition of manufacturers and master painters. The remedy, as France has demonstrated, is the wiping out of white lead altogether.

THE PATH OF A PIONEER

"FROM New Lanark to New Harmony—and After" might be the appropriate title for a sketch of the career of Robert Owen. His name has blazed for years as a heartening sign to the pioneers of two lands—Britain and America.

But it was even before his purchase of New Lanark Mills in 1800 that Owen had begun to interest himself in the welfare of the working-classes. In his previous managerial jobs he had studied their needs and conditions, and had seen the grave wrongs that the "Industrial Revolution" had brought to them. It was perhaps something more than chance that had led him, who was to challenge the system introduced by that Revolution, to become the owner of the mills opened originally by Richard Arkwright, one of the prominent inventors who made the Revolution a reality.

Starting as a mere reformer, striving to win the favor of his employees, thought and experience drove him across the Atlantic in that great crusade for cooperation that settled him and his idealistic followers on the banks of the Wabash, in the heart of America. When the Indiana experiment had failed, the same belief in humanitarian principles made him the champion of the rising British trade unions, upon his return across the water.

What a career—merchant, manufacturer, champion of humanity and a "new education", of trade unionism and cooperation, far ahead of his time, settling a dispute between Great Britain and the United States one day and debating with Alexander Campbell the next! It is a life requiring a versatile pen for its delineation. And that pen has been used effectively by G. D. H. Cole in his "ROBERT OWEN", just published by Little, Brown & Co. No happier biographer for Owen could be thought of than Mr. Cole, himself so versatile in his interests and ideas. Every trade unionist should acquaint himself with this work, and every trade union library should have it on its shelves.

Out of the many pictures that Mr. Cole gives us of this interesting character, two are worthy of particular quotation—one because it shows that Owen as an employer had such a different notion of the treatment of employees from

our employers of today, and the other because it reveals the weakness in Owen's own character.

In the chapter on New Lanark, we read this: "By this time (1806) cotton from the United States was being largely used in the mills. For a long time there had been friction between the British and American Governments, especially over the American claim to trade freely with France and the British claim to an unrestricted right of search at sea. This quarrel led, in 1806, to an American embargo on the export of cotton to England, and to a cotton famine in that country. Cotton prices soared; but as no one knew how long the embargo would last, buying at the high prices was a highly speculative affair. Manufacturers had to choose between shutting down their mills or taking the risk of producing at a very high cost what might be worth much less by the time it was sold. Owen and his partners decided to shut down; but he succeeded in persuading them to follow the example set by Dale when the mill was burnt down twenty years before, by paying full wages to all the operatives thrown out of work by this decision. The stoppage lasted more than four months, and more than £7,000 (\$35,000) was paid out in wages to those unemployed in consequence of it."

So that Owen believed that the industry, and not the workers, should really bear the "risks". As to his weakness—his neglect of his family—Cole says:

"He lived in and for his idea; apart from it he virtually ceased to exist at all. He became a humanitarian, and lost his humanity. The 'man of one idea' went far to spoil the idea by straining it too far and placing too much weight on it. And, by the same strain, he went even far toward spoiling the men. He became an embodied principle, and forgot his wife. One affection only the universal benevolence for humanity could not drive out. He remained a great lover of children—actual human children, and not children in the abstract. This stayed with him to the end; but for the rest I feel he became in his later years less a man than a walking principle, and that this goes far to account for his failures. He made his world cold with universal benevolence. . . . He would have been a better prophet and more of a man if he had known how to do things by halves. But that the 'man of one idea' could never do."

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC. REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, of Labor Age, published monthly at New York, N. Y., for April 1, 1926, State of New York, County of New York, ss.:

Before me, a notary public in and for the State and county aforesaid, personally appeared Leonard Bright, who, having been duly sworn according to law deposes and says that he is the Business Manager of Labor Age and that the following is, to the best of his knowledge and belief, a true statement of ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

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Editor—Louis Francis Budenz, 3 W. 16th St. New York City.

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LEONARD BRIGHT,
Business Manager.

Sworn to and subscribed before me this 14th day of April, 1926.

(seal) ERNEST BOHM
(My commission expires March 30, 1927)

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